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May 22, 2020

Steve Kahl  
Executive Secretary/Director of Administration  
North Dakota Public Service Commission  
State Capitol - 600 East Boulevard  
Bismarck, ND 58505-0480

**RE: Otter Tail Power Company's Annual Report**

Dear Mr. Kahl:

Enclosed is Otter Tail Power Company's (Otter Tail's) 2019 Annual Report for North Dakota. As in past years, I am also enclosing a copy of Otter Tail Corporation's 2019 Annual Report to Shareholders and SEC Form 10-K for Otter Tail Corporation and Otter Tail's 2019 FERC FORM No. 1. I am also forwarding an electronic copy of the North Dakota Annual Report in .PDF format by email to you at [ndpsc@nd.gov](mailto:ndpsc@nd.gov).

Pages 1-3 reflect operating statement, rate base and capital structure values which include Otter Tail's current base rate recoveries as well as recoveries through Otter Tail's renewable, transmission, and environmental cost recovery riders on an actual, un-normalized basis. Page 4-6 reflects the same information except it is on a normalized basis to adjust for the impacts of anomalous items, including weather. Otter Tail's actual 2019 earnings reflected a return on equity (ROE) of 8.44 percent. As shown on page 5 of the attached report, Otter Tail's normalized 2019 results reflected a 7.99 percent ROE.

If you have questions on the information provided, do not hesitate to contact me at (218) 739-8279 or [stommerdahl@otpc.com](mailto:stommerdahl@otpc.com).

Sincerely,

/s/ *STUART TOMMERDAHL*  
Stuart Tommerdahl  
Manager, Regulatory Administration

kaw  
Enclosures  
By electronic service and First Class mail

ANNUAL REPORT  
  
OF  
  
**OTTER TAIL POWER COMPANY**  
  
TO THE  
  
PUBLIC SERVICE COMMISSION OF NORTH DAKOTA  
  
FOR THE  
  
YEAR ENDED DECEMBER 31, 2019

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Otter Tail Power Company  
2019 North Dakota Annual Report

Operating Statement - With All Riders, Un-Normalized

|          |                                           | (A)                      | (B)                     | (C)                | (D)                     | (E)                           |
|----------|-------------------------------------------|--------------------------|-------------------------|--------------------|-------------------------|-------------------------------|
| Line No. | Description                               | 2019<br>Total<br>Company | 2019<br>North<br>Dakota | N. D. %<br>(B / A) | 2018<br>North<br>Dakota | Annual<br>Change<br>(B-D / D) |
|          | <b>Operating Revenues:</b>                |                          |                         |                    |                         |                               |
| 1        | Residential                               | 130,441,876              | 58,841,982              | 45.11%             | 56,471,702              | 4.20%                         |
| 2        | Small Commercial and Industrial           | 90,314,102               | 45,012,738              | 49.84%             | 27,676,607              | 62.64%                        |
| 3        | Large Commercial and Industrial           | 174,065,850              | 44,770,721              | 25.72%             | 63,582,840              | -29.59%                       |
| 4        | Other Retail                              | 7,170,428                | 2,805,133               | 39.12%             | 3,007,652               | -6.73%                        |
| 5        | Total Retail Revenue                      | 401,992,255              | 151,430,574             | 37.67%             | 150,738,802             | 0.46%                         |
| 6        | Other Electric Revenue                    | 47,400,418               | 7,377,244               | 15.56%             | 9,968,035               | -25.99%                       |
| 7        | Total Revenue                             | 449,392,673              | 158,807,818             | 35.34%             | 160,706,836             | -1.18%                        |
|          | <b>Operating Expenses:</b>                |                          |                         |                    |                         |                               |
| 8        | Production Expenses                       | 162,602,272              | 59,732,506              | 36.74%             | 61,605,278              | -3.04%                        |
| 9        | Transmission Expenses                     | 31,344,027               | 12,199,427              | 38.92%             | 12,258,546              | -0.48%                        |
| 10       | Distribution Expenses                     | 18,329,594               | 8,367,280               | 45.65%             | 8,353,547               | 0.16%                         |
| 11       | Customer Accounting Expenses              | 13,387,241               | 5,815,018               | 43.44%             | 5,716,245               | 1.73%                         |
| 12       | Customer Service and Information Expenses | 11,780,740               | 868,269                 | 7.37%              | 871,183                 | -0.33%                        |
| 13       | Sales Expenses                            | 152,511                  | 18,288                  | 11.99%             | 47,220                  | -61.27%                       |
| 14       | Administration and General Expenses       | 40,260,154               | 14,894,397              | 37.00%             | 15,427,038              | -3.45%                        |
| 15       | Charitable Contributions                  | 0                        | 0                       | N/A                | 0                       | N/A                           |
| 16       | Depreciation Expense                      | 58,187,580               | 21,515,835              | 36.98%             | 20,549,343              | 4.70%                         |
| 17       | General Taxes                             | 15,776,875               | 4,769,487               | 30.23%             | 4,863,193               | -1.93%                        |
| 18       | Total Operating Expenses                  | 351,820,994              | 128,180,506             | 36.43%             | 129,691,594             | -1.17%                        |
| 19       | Net Operating Income Before Income Taxes  | 97,571,680               | 30,627,312              | 31.39%             | 31,015,242              | -1.25%                        |
|          | <b>Income Tax Expense:</b>                |                          |                         |                    |                         |                               |
| 20       | Investment Tax Credit                     | (1,347,924)              | (487,525)               | 36.17%             | (1,692,174)             | -71.19%                       |
| 21       | Deferred Income Taxes                     | 1,101,054                | 697,291                 | 63.33%             | (390,123)               | -278.74%                      |
| 22       | Income Taxes                              | 16,126,329               | 4,627,523               | 28.70%             | 4,234,976               | 9.27%                         |
| 23       | Total Income Tax Expense                  | 15,879,459               | 4,837,290               | 30.46%             | 2,152,679               | 124.71%                       |
| 24       | Net Regulated Earnings                    | 81,692,221               | 25,790,022              | 31.57%             | 28,862,563              | -10.65%                       |

Otter Tail Power Company  
2019 North Dakota Annual Report

Rate Base - With All Riders, Un-Normalized

|               |                                                                | (A)                   | (B)                  | (C)                | (D)                  | (E)              |
|---------------|----------------------------------------------------------------|-----------------------|----------------------|--------------------|----------------------|------------------|
| Line No.      | Description                                                    | 2019<br>Total Company | 2019<br>North Dakota | N. D. %<br>(B / A) | 2018<br>North Dakota | Annual<br>Change |
| 1             | Plant in Service                                               | 2,117,159,924         | 765,746,233          | 36.17%             | 749,677,606          | 2.14%            |
| 2             | Net Capitalized Items - Big Stone Plant                        |                       |                      | 0.00%              |                      | 0.00%            |
| 3             | Accumulated Depreciation                                       | (805,849,452)         | (315,173,759)        | 39.11%             | (304,826,044)        | 3.39%            |
| 4             | Net Plant in Service                                           | 1,311,310,473         | 450,572,474          | 34.36%             | 444,851,563          | 1.29%            |
| 5             | Plant Held for Future Use                                      | 29,657                | 13,017               | 43.89%             | 13,151               | -1.02%           |
| 6             | Construction Work in Progress                                  | 174,055,963           | 3,512,110            | 2.02%              | 3,806,470            | -7.73%           |
| 7             | Materials and Supplies                                         | 22,143,059            | 9,075,646            | 40.99%             | 8,419,740            | 7.79%            |
| 8             | Fuel Stocks                                                    | 8,853,500             | 3,119,385            | 35.23%             | 3,076,506            | 1.39%            |
| 9             | Prepayments                                                    | (12,703,205)          | (4,364,881)          | 34.36%             | (10,241,149)         | -57.38%          |
| 10            | Customer Advances                                              | (2,000,070)           | (687,234)            | 34.36%             | (368,122)            | 86.69%           |
| 11            | Cash Working Capital                                           | 13,549,833            | 9,415,293            | 69.49%             | 3,246,413            | 190.02%          |
| 12            | Accumulated Deferred Income Taxes                              | (278,286,475)         | (97,922,721)         | 35.19%             | (98,148,403)         | -0.23%           |
| 13            | Total Average Rate Base                                        | <u>1,236,952,734</u>  | <u>372,733,088</u>   | 30.13%             | <u>354,656,168</u>   | 5.10%            |
| <b>ACTUAL</b> |                                                                |                       |                      |                    |                      |                  |
| 14            | Rate of Return on Average Rate Base (page 1, Line 24 /line 13) | 6.60%                 | 6.92%                |                    |                      |                  |
| 15            | Less: Weighted Cost of Ltd (Page 3, line 1 (D))                | 2.44%                 | 2.44%                |                    |                      |                  |
| 16            | Weighted Cost of Pref. Stock (Page 3 line 2 (D))               | <u>0.00%</u>          | <u>0.00%</u>         |                    |                      |                  |
| 17            | Weighted Return on Equity                                      | 4.17%                 | 4.48%                |                    |                      |                  |
| 18            | % of Equity to Capital Structure (Page 3, line 3 (B))          | <u>53.11%</u>         | <u>53.11%</u>        |                    |                      |                  |
| 19            | Return on Equity (Page 3, line 3 (C))                          | <u>7.85%</u>          | <u>8.44%</u>         |                    |                      |                  |



Otter Tail Power Company  
2019 North Dakota Annual Report

Average Weighted Cost of Capital - With All Riders, Un-Normalized

|          |                  | (A)             | (B)     | (C)   | (D)           |
|----------|------------------|-----------------|---------|-------|---------------|
| Line No. | Description      | Average Balance | Ratio   | Cost  | Weighted Cost |
| 1        | Long Term Debt   | 545,492,875     | 46.89%  | 5.20% | 2.44%         |
| 2        | Preferred Equity | 0               | 0.00%   | 0.00% | 0.00%         |
| 3        | Common Equity    | 617,743,639     | 53.11%  | 8.44% | 4.48%         |
| 4        | Total            | 1,163,236,514   | 100.00% |       | 6.92%         |

Otter Tail Power Company  
2019 North Dakota Annual Report

Operating Statement - With All Riders, Normalized

|          |                                           | (A)                      | (B)                     | (C)                | (D)                     | (E)                           |
|----------|-------------------------------------------|--------------------------|-------------------------|--------------------|-------------------------|-------------------------------|
| Line No. | Description                               | 2019<br>Total<br>Company | 2019<br>North<br>Dakota | N. D. %<br>(B / A) | 2018<br>North<br>Dakota | Annual<br>Change<br>(B-D / D) |
|          | <b>Operating Revenues:</b>                |                          |                         |                    |                         |                               |
| 1        | Residential                               | 126,720,101              | 57,203,343              | 45.14%             | 55,270,529              | 3.50%                         |
| 2        | Small Commercial and Industrial           | 88,164,273               | 44,017,312              | 49.93%             | 27,208,600              | 61.78%                        |
| 3        | Large Commercial and Industrial           | 173,555,621              | 44,637,041              | 25.72%             | 63,188,783              | -29.36%                       |
| 4        | Other Retail                              | 7,134,805                | 2,794,837               | 39.17%             | 2,998,275               | -6.79%                        |
| 5        | Total Retail Revenue                      | 395,574,801              | 148,652,533             | 37.58%             | 148,666,187             | -0.01%                        |
| 6        | Other Electric Revenue                    | 47,400,418               | 7,377,244               | 15.56%             | 9,968,035               | -25.99%                       |
| 7        | Total Revenue                             | 442,975,219              | 156,029,777             | 35.22%             | 158,634,221             | -1.64%                        |
|          | <b>Operating Expenses:</b>                |                          |                         |                    |                         |                               |
| 8        | Production Expenses                       | 158,300,237              | 58,141,925              | 36.73%             | 60,736,570              | -4.27%                        |
| 9        | Transmission Expenses                     | 31,344,027               | 12,199,427              | 38.92%             | 12,258,546              | -0.48%                        |
| 10       | Distribution Expenses                     | 18,329,594               | 8,367,280               | 45.65%             | 8,353,547               | 0.16%                         |
| 11       | Customer Accounting Expenses              | 13,387,241               | 5,815,018               | 43.44%             | 5,716,245               | 1.73%                         |
| 12       | Customer Service and Information Expenses | 11,780,740               | 868,269                 | 7.37%              | 871,183                 | -0.33%                        |
| 13       | Sales Expenses                            | 152,511                  | 18,288                  | 11.99%             | 47,220                  | -61.27%                       |
| 14       | Administration and General Expenses       | 40,260,154               | 14,894,397              | 37.00%             | 15,427,038              | -3.45%                        |
| 15       | Charitable Contributions                  | 0                        | 0                       | N/A                | 0                       | N/A                           |
| 16       | Depreciation Expense                      | 58,187,580               | 21,515,835              | 36.98%             | 20,549,343              | 4.70%                         |
| 17       | General Taxes                             | 15,776,875               | 4,769,487               | 30.23%             | 4,863,193               | -1.93%                        |
| 18       | Total Operating Expenses                  | 347,518,959              | 126,589,925             | 36.43%             | 128,822,886             | -1.73%                        |
| 19       | Net Operating Income Before Income Taxes  | 95,456,261               | 29,439,851              | 30.84%             | 29,811,336              | -1.25%                        |
|          | <b>Income Tax Expense:</b>                |                          |                         |                    |                         |                               |
| 20       | Investment Tax Credit                     | (1,347,924)              | (487,525)               | 36.17%             | (1,692,174)             | -71.19%                       |
| 21       | Deferred Income Taxes                     | 1,101,054                | 697,291                 | 63.33%             | (441,940)               | -257.78%                      |
| 22       | Income Taxes                              | 15,597,576               | 4,338,543               | 27.82%             | 3,993,385               | 8.64%                         |
| 23       | Total Income Tax Expense                  | 15,350,705               | 4,548,309               | 29.63%             | 1,859,271               | 144.63%                       |
| 24       | Net Regulated Earnings                    | 80,105,555               | 24,891,542              | 31.07%             | 27,952,065              | -10.95%                       |

Otter Tail Power Company  
2019 North Dakota Annual Report

Rate Base - With All Riders, Normalized

|               |                                                                | (A)                   | (B)                  | (C)                | (D)                  | (E)              |
|---------------|----------------------------------------------------------------|-----------------------|----------------------|--------------------|----------------------|------------------|
| Line No.      | Description                                                    | 2019<br>Total Company | 2019<br>North Dakota | N. D. %<br>(B / A) | 2018<br>North Dakota | Annual<br>Change |
| 1             | Plant in Service                                               | 2,117,159,924         | 765,746,233          | 36.17%             | 749,677,606          | 2.14%            |
| 2             | Net Capitalized Items - Big Stone Plant                        |                       |                      | 0.00%              |                      | 0.00%            |
| 3             | Accumulated Depreciation                                       | (805,849,452)         | (315,173,759)        | 39.11%             | (304,826,044)        | 3.39%            |
| 4             | Net Plant in Service                                           | 1,311,310,473         | 450,572,474          | 34.36%             | 444,851,563          | 1.29%            |
| 5             | Plant Held for Future Use                                      | 29,657                | 13,017               | 43.89%             | 13,151               | -1.02%           |
| 6             | Construction Work in Progress                                  | 174,055,963           | 3,512,110            | 2.02%              | 3,806,470            | -7.73%           |
| 7             | Materials and Supplies                                         | 22,143,059            | 9,075,646            | 40.99%             | 8,419,740            | 7.79%            |
| 8             | Fuel Stocks                                                    | 8,853,500             | 3,119,385            | 35.23%             | 3,076,506            | 1.39%            |
| 9             | Prepayments                                                    | (12,703,205)          | (4,364,881)          | 34.36%             | (10,241,149)         | -57.38%          |
| 10            | Customer Advances                                              | (2,000,070)           | (687,234)            | 34.36%             | (368,122)            | 86.69%           |
| 11            | Cash Working Capital                                           | 13,239,110            | 9,277,896            | 70.08%             | 3,180,209            | 191.74%          |
| 12            | Accumulated Deferred Income Taxes                              | (278,286,475)         | (97,922,721)         | 35.19%             | (98,148,403)         | -0.23%           |
| 13            | Total Average Rate Base                                        | <u>1,236,642,010</u>  | <u>372,595,691</u>   | 30.13%             | <u>354,589,964</u>   | 5.08%            |
| <b>ACTUAL</b> |                                                                |                       |                      |                    |                      |                  |
| 14            | Rate of Return on Average Rate Base (page 4, Line 24 /line 13) | 6.48%                 | 6.68%                |                    |                      |                  |
| 15            | Less: Weighted Cost of Ltd (Page 6, line 1 (D))                | 2.44%                 | 2.44%                |                    |                      |                  |
| 16            | Weighted Cost of Pref. Stock (Page 6 line 2 (D))               | <u>0.00%</u>          | <u>0.00%</u>         |                    |                      |                  |
| 17            | Weighted Return on Equity                                      | 4.04%                 | 4.24%                |                    |                      |                  |
| 18            | % of Equity to Capital Structure (Page 6, line 3 (B))          | <u>53.11%</u>         | <u>53.11%</u>        |                    |                      |                  |
| 19            | Return on Equity (Page 6, line 3 (C))                          | <u>7.61%</u>          | <u>7.99%</u>         |                    |                      |                  |

Otter Tail Power Company  
2019 North Dakota Annual Report

Average Weighted Cost of Capital - With All Riders, Normalized

|          |                  | (A)             | (B)     | (C)   | (D)           |
|----------|------------------|-----------------|---------|-------|---------------|
| Line No. | Description      | Average Balance | Ratio   | Cost  | Weighted Cost |
| 1        | Long Term Debt   | 545,492,875     | 46.89%  | 5.20% | 2.44%         |
| 2        | Preferred Equity | 0               | 0.00%   | 0.00% | 0.00%         |
| 3        | Common Equity    | 617,743,639     | 53.11%  | 7.98% | 4.24%         |
| 4        | Total            | 1,163,236,514   | 100.00% |       | 6.68%         |

Miscellaneous

|          |                                        | (A)           | (B)           | (C)           | (D)           | (E)           | (F)           | (G)           | (H)           | (I)           | (J)           |
|----------|----------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| e<br>No. | Description                            | 2019          | 2018          | 2017          | 2016          | 2015          | 2014          | 2013          | 2012          | 2011          | 2010          |
|          | Customer Related (ND):                 |               |               |               |               |               |               |               |               |               |               |
|          | <b>Year End # of Customers (1)</b>     |               |               |               |               |               |               |               |               |               |               |
| 1        | Residential                            | 45,620        | 45,862        | 45,882        | 45,743        | 45,689        | 45,379        | 45,191        | 44,951        | 44,554        | 44,424        |
| 2        | Commercial                             | 12,395        | 11,465        | 11,439        | 11,385        | 11,333        | 11,286        | 11,270        | 11,188        | 11,152        | 11,170        |
| 3        | Industrial                             | 277           | 980           | 979           | 978           | 984           | 947           | 950           | 952           | 918           | 896           |
| 4        | Other                                  | 889           | 497           | 499           | 503           | 509           | 504           | 504           | 504           | 506           | 509           |
| 5        | <b>Total Customers</b>                 | 59,181        | 58,804        | 58,799        | 58,609        | 58,515        | 58,116        | 57,915        | 57,595        | 57,130        | 56,999        |
|          | <b>KWH's Sold</b>                      |               |               |               |               |               |               |               |               |               |               |
| 6        | Residential                            | 629,175,343   | 630,555,383   | 591,880,809   | 580,345,390   | 609,253,548   | 669,563,374   | 652,328,505   | 583,154,678   | 620,333,270   | 588,526,166   |
| 7        | Commercial                             | 517,757,884   | 309,037,831   | 300,470,972   | 291,700,647   | 296,940,142   | 339,108,033   | 319,824,033   | 281,752,844   | 300,862,002   | 301,965,143   |
| 8        | Industrial                             | 653,782,339   | 861,510,082   | 854,040,398   | 856,544,193   | 852,769,327   | 899,948,129   | 867,335,225   | 841,489,786   | 849,256,868   | 823,343,090   |
| 9        | Other                                  | 29,278,133    | 29,467,197    | 29,625,196    | 29,262,956    | 29,829,127    | 30,127,525    | 29,593,473    | 29,084,463    | 32,138,905    | 31,276,297    |
| 10       | Subtotal                               | 1,829,993,699 | 1,830,570,493 | 1,776,017,375 | 1,757,853,186 | 1,788,792,144 | 1,938,747,061 | 1,869,081,236 | 1,735,481,771 | 1,802,591,045 | 1,745,110,696 |
| 11       | Unbilled sales                         | (9,672,097)   | 3,250,372     | 11,845,290    | 5,681,679     | (9,116,877)   | (5,251,688)   | 17,390,019    | 11,804,152    | (6,735,687)   | 1,283,596     |
| 12       | <b>Total kWh</b>                       | 1,820,321,602 | 1,833,820,865 | 1,787,862,665 | 1,763,534,865 | 1,779,675,267 | 1,933,495,373 | 1,886,471,255 | 1,747,285,923 | 1,795,855,358 | 1,746,394,292 |
| 13       | <b>System Wide Reliability Indices</b> |               |               |               |               |               |               |               |               |               |               |
| 14       | SAIDI (total minutes)                  | 128.2         | 85.3          | 86.5          | 110.5         | 100.6         | 74.2          | 99.7          | 84.1          | 105.6         | 92.9          |
| 15       | SAIFI (frequency)                      | 1.5           | 1.3           | 1.4           | 1.7           | 1.7           | 1.2           | 1.3           | 1.5           | 1.6           | 1.6           |
| 16       | CAIDI (duration)                       | 88.7          | 64.9          | 61.5          | 65.7          | 58.4          | 59.9          | 78.6          | 57.7          | 67.9          | 57.0          |

(1) Otter Tail implemented its new customer information system in February 2019. During this conversion, total customer counts by class were updated resulting in the change from 2018 to 2019.

**BEFORE THE  
NORTH DAKOTA PUBLIC SERVICE COMMISSION**

**Case No. PU-20-**

**Otter Tail Power Company's**

**Report on Status of Smart Metering  
and Smart Grid Technologies**

**May 22, 2020**



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## Otter Tail Power Company 2019 Annual Report to North Dakota

### Report on Status of Smart Metering

In its Order dated August 8, 2007, Case No. PU-06-290, the North Dakota Public Service Commission, at ordering paragraph no. 2, required that:

**"Each jurisdictional electric utility shall include in its annual reports to the Commission, beginning with reports filed for 2007, a discussion of progress towards the feasibility of making smart metering available for all customers."**

References to smart grid and smart metering have been used interchangeably as the utility industry moves to adopt changes that make sense for each utilities' service areas. We've used technology to improve employee productivity and customer service for many years. Smart grid investments occur in many aspects of our work and our mission, which is:

*To produce and deliver electricity as reliably, economically, and environmentally responsibly as possible to the balanced benefit of customers, shareholders, and employees and to improve the quality of life in the area in which we do business.*

The following lists some of the smart grid-type applications that we discussed in past filings and are still in place today. However, this filing does not go into detail for each of these areas:

- Peak-shaving technologies
- Energy storage systems
- Time-varying rates
- Electricity metering
- Power Profiler
- Bill Analyzer

This update focuses on updates to our:

- Interruption Monitoring System
- Customer Information System

In addition, we provide high-level information related to technologies that encompass smart metering in our Innovation 2030 initiative.



## **Interruption Monitoring System**

In order to monitor and improve the reliability of our company's electrical system, we installed and commissioned an Interruption Monitoring System (IMS) in mid-2004. We installed voltage and interruption monitoring devices manufactured by Sensus on each of the approximately 730 distribution feeders in our system. These intelligent field devices report interruptions, over and under voltage alarms, and power reliability status using commercial cellular networks (GSM and 1XRTT).

In 2018, we retired our legacy IMS platform as it utilized a 2G cellular network which was also retired by cellular providers. As we have discussed in past filings, we started the replacement of this system in 2015 with an RFP process. Throughout the timeframes of 2016-2018, we finished deployment of our new IMS solution and in 2019 we realized our first calendar year with 100 percent coverage of the new system.

The new IMS system is provided by Itron and includes approximately 1500 cellular Advanced Metering Infrastructure (AMI) meters. These meters are strategically placed to monitor all phases of all our 722 feeders. This is more coverage than our prior system and allows us to further understand our system in more detail. In addition to the field hardware (meters), Itron provides a hosted collection engine and reliability analytics platforms for reviewing the meter data.

With the deployment of this system, we have been able to not only complete the reliability metrics calculations on a feeder level basis as required, but also learn more about AMI deployments. The collection engine provides billing determinants to our Customer Information System which would be a requirement for a future full-blown AMI deployment as well. In addition, our engineering and field services team has been able to dive into the more granular voltage and loading profile information these meters provide. Lastly, there are other operational processes such as GIS meter mapping that have been further understood through this deployment.

In summary, this project provides us with great AMI experience without a full deployment.

## **Customer Information System (CIS)**

We developed and maintained a mainframe Customer Information System (CIS) over the past 30 years. The system served the company well, but its capabilities and features require updates to meet expected future customer and company needs. In early 2016 we selected Cayenta as our vendor to replace the CIS and Meter Information System (MIS) with Cayenta Utilities. The new CIS, internally branded CISone, was placed in service in the first quarter of 2019. CISone will greatly expand functionality to both customers and our company and includes upgrades to rates/billing management, customer interfaces and connections, service order management, and business intelligence.

A significant benefit of CISone is its ability to connect and integrate with our other systems, including systems deployed with AMI. For example, the legacy CIS did not have the capabilities or features needed to take some forms of billing determinates from AMI. Therefore, in order to achieve the benefits of AMI, we first needed a CIS and billing system that can handle new AMI

data and billing determinants. CISone will offer many benefits both to customers and the company, one of which is providing the necessary foundation for a successful smart meter deployment.

## **Innovation 2030 Initiative**

As part of our Smart Grid initiatives, our Innovation 2030 Portfolio is inclusive of programs and projects that work towards the goal of increased customer engagement, increased safety and reliability, and increased business efficiency through technology and process opportunities. Innovation 2030, a Company initiative that began in 2016, is in the planning stages and includes technologies such as AMI, Outage Management System (OMS), and Work Management Systems. Two other large areas of investigation within the initiative include replacement of aging Transmission and Distribution assets and a system wide telecommunications strategy. In 2019, we did complete the deployment of a new Staking and Enterprise Service Bus within the Innovation 2030 initiative. We have continued over the last year on evaluation and business case justifications for all of the projects within the portfolio

In late 2019 Otter Tail Power issued a request for information regarding a propagation study for the potential AMI system. In early 2020 we have continued to develop additional documentation for a proposed AMI project. We expect to continue development in 2020 and look for deployment of an AMI solution in future years. Ultimately, other projects included in this initiative will move from conceptual design to execution after assessing and evaluating the full value updates to these functions and technologies are able to offer our customers.



# ACHIEVE



# ACCELERATE

[2019]

ANNUAL REPORT



# [ VISION ]

We will build a strong and focused diversified organization with an electric utility as our foundation.



## GROW OUR BUSINESSES

Otter Tail Power Company Surveyor Jason Lee works on transmission infrastructure enhancements to improve reliability and customer satisfaction. In 2019 we invested approximately \$36 million in transmission system upgrades.

## ACHIEVE OPERATIONAL AND COMMERCIAL EXCELLENCE

BTD Shift Lead Matthew Chester maintains operational excellence by ensuring customers receive high-quality products with on-time delivery. Through strategic execution, the BTD Georgia facility was profitable in 2019 with both sales growth and significant productivity improvements.



# [ MISSION ]

Otter Tail Corporation delivers value by building strong electric utility and manufacturing platforms.

**FOR OUR SHAREHOLDERS** we deliver above-average returns through operational excellence and growing our businesses.

**FOR OUR CUSTOMERS** we commit to quality and value in everything we do.

**FOR OUR EMPLOYEES** we provide an environment of opportunity with accountability where people are valued and empowered to do their best work.

# [ VALUES ]

**INTEGRITY:** We conduct business responsibly and honestly.

**SAFETY:** We provide safe workplaces and require safe work practices.

**PEOPLE:** We build respectful relationships and create an environment where people thrive.

**PERFORMANCE:** We strive for excellence, act on opportunity, and deliver on commitments.

**COMMUNITY:** We improve the communities where we work and live.



## DEVELOP OUR TALENT

Corporate Communications Director Stephanie Hoff (left) and Otter Tail Power Company Vice President of Energy Supply Brad Tollerson engage employees in Leading Others, a leadership development program established to equip employees across the enterprise with necessary tools, resources, and opportunities to increase knowledge, skills, and capabilities.

| CONSOLIDATED OPERATIONS (\$ in thousands, except share amounts) | 2019         | 2018         | PERCENT<br>CHANGE |
|-----------------------------------------------------------------|--------------|--------------|-------------------|
| Operating Revenues                                              | \$ 919,503   | \$ 916,447   | 0.3               |
| Net Income                                                      | \$ 86,847    | \$ 82,345    | 5.5               |
| Diluted Earnings per Share                                      | \$ 2.17      | \$ 2.06      | 5.3               |
| Dividends per Common Share                                      | \$ 1.40      | \$ 1.34      | 4.5               |
| Return on Average Common Equity                                 | 11.6%        | 11.5%        | 0.9               |
| Book Value per Common Share                                     | \$ 19.46     | \$ 18.38     | 5.9               |
| Cash Flow from Operating Activities                             | \$ 185,037   | \$ 143,448   | 29.0              |
| Number of Common Shares Outstanding                             | 40,157,591   | 39,664,884   | 1.2               |
| Number of Common Shareholders                                   | 12,361       | 12,661       | (2.4)             |
| Closing Stock Price                                             | \$ 51.29     | \$ 49.64     | 3.3               |
| Total Return (share price appreciation plus dividends)          | 6.1%         | 14.7%        | (58.5)            |
| Total Market Value of Common Stock                              | \$ 2,059,683 | \$ 1,968,965 | 4.6               |
| Total Full-time Employees                                       | 2,208        | 2,321        | (4.9)             |

| ELECTRIC PLATFORM (\$ in thousands) |              |              |       |
|-------------------------------------|--------------|--------------|-------|
| Operating Revenues                  | \$ 459,048   | \$ 450,198   | 2.0   |
| Total Retail Electric Sales (MWH)   | 4,969,089    | 4,976,960    | (0.2) |
| Operating Income                    | \$ 98,417    | \$ 88,031    | 11.8  |
| Customers                           | 132,578      | 132,448      | 0.1   |
| Gross Plant Investment              | \$ 2,390,468 | \$ 2,189,811 | 9.2   |
| Total Assets                        | \$ 1,931,525 | \$ 1,728,534 | 11.7  |
| Capital Expenditures                | \$ 187,362   | \$ 87,287    | 114.7 |
| Full-time Employees                 | 654          | 669          | (2.2) |

| MANUFACTURING PLATFORM (\$ in thousands) |            |            |       |
|------------------------------------------|------------|------------|-------|
| Operating Revenues                       | \$ 460,455 | \$ 466,249 | (1.2) |
| Operating Income                         | \$ 46,308  | \$ 51,183  | (9.5) |
| Total Assets                             | \$ 287,791 | \$ 279,186 | 3.1   |
| Capital Expenditures                     | \$ 19,720  | \$ 17,515  | 12.6  |
| Full-time Employees                      | 1,514      | 1,615      | (6.3) |

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**DIRECTORS AND LEADERSHIP** 107



# TO OUR SHAREHOLDERS



**CHARLES S. MACFARLANE**  
PRESIDENT AND CEO

## ACHIEVE. ACCELERATE.

Otter Tail Corporation delivers value to shareholders as we grow our electric and manufacturing platforms and develop our systems, locations, and people. We will accomplish this while achieving operational and commercial excellence.

Our electric platform continues to grow through capital investments in generation and transmission. Our manufacturing platform remains focused on the growth required to meet customer needs and operate efficient businesses. This year's report highlights our 2019 achievements and our plans to accelerate toward reaching our strategic goals.

Through our combined efforts, we achieved consolidated net income and diluted earnings per share of \$86.8 million and \$2.17, respectively, compared with \$82.3 million and \$2.06 in 2018; earnings per share increased 5.3 percent year over year. Return on equity was 11.6 percent.

The dividend yield at year-end was 2.7 percent. Total shareholder return has grown at a compounded annual rate of 14.4 percent over the past five years. We have paid dividends on common stock for 81 years, or 325 consecutive quarters. Our annual indicated dividend per share for 2020 is \$1.48, a 5.7 percent increase over our 2019 dividend rate.

Our 2019 financial results—which are driven by our strategic initiatives to grow our businesses, achieve operational and commercial excellence, and develop our talent—demonstrate how our accomplishments continue to deliver value to shareholders and position us to establish long-term success.

## UTILITY ACHIEVES MILESTONES

Otter Tail Power Company grew rate base by 6.1 percent in 2019, primarily through capital investment in generation and regional transmission projects.

The utility celebrated its 110th anniversary and marked major milestones in the future of our generation resources with two projects that began construction in 2019. The Merricourt Wind Energy Center is a 150-megawatt (MW) wind generation facility in southeast North Dakota. Astoria Station is a 245-MW simple-cycle natural gas combustion turbine in east central South Dakota. Both will prepare us for our Hoot Lake coal-fired power plant's 2021 retirement. And both will provide immediate returns for amounts invested while under construction.

Merricourt Wind Energy Center construction began in August. The facility, which we expect to begin commercial operation in the fourth quarter of 2020, will generate

enough energy to power more than 65,000 homes. At an estimated cost of approximately \$258 million, this is the largest capital project in company history.

In May 2019 we began constructing Astoria Station. It will complement our wind generation by providing a reliable backstop when the wind is not blowing, and it will have flexible operating options and low emissions. We expect to invest approximately \$158 million in Astoria Station and for the facility to be on line in late 2020 or early 2021.

By 2022 we project more than 30 percent of our energy will come from renewables, and carbon dioxide emissions from generation resources we own will be more than 30 percent lower than 2005 levels—all while keeping residential rates nearly 30 percent below the national average. Merricourt Wind Energy Center and Astoria Station are catalysts of these 30 percent trajectories.

Otter Tail Power Company completed a few small-scale solar projects in partnership with communities we serve. We continue to evaluate cost-effective solar additions that will meet requirements in our three-state jurisdiction.

We are enhancing transmission infrastructure by investing approximately \$39 million to improve reliability and provide increased capacity for customers in the southern portion of our service area. Phase one of this two-phase project is complete, and we expect phase two to be in service in 2021.

We are pursuing \$897 million in capital investments at the utility between 2020 and 2024, driven by our coal-fired plant retirement, renewable resource additions, increased transmission capacity for renewable energy, and modernized customer experience. These investments will allow us to deliver on our commitment to a cleaner energy future at lower-than-average rates and produce a compounded annual rate base growth of approximately 8 percent over the 2019 to 2024 timeframe.

In May 2019 the South Dakota Public Utilities Commission approved a return on equity of 8.75 percent and a revenue increase of approximately \$2.6 million, or 7.7 percent, concluding our rate case filed in April 2018. In the ruling, the commission approved a phase-in rider. In exchange, we agreed not to file a general rate increase in South Dakota until at least April 2022.

In December 2019 the Minnesota Public Utilities Commission approved our request to extend the deadline to file our next resource plan an additional year, until 2021. This plan identifies the most cost-effective combinations of resources for reliably meeting customers' needs during the next

15 years. Delaying our filing another year will allow us to better incorporate outcomes of the Regional Haze Rule into our modeling.

Otter Tail Power Company's new sustainability website went live. Transparency is important to our company and to our industry. The new website aids in that transparency and highlights the responsible ways we meet diverse needs.

We have established a ten-year plan for strategic upgrades to technologies that support enhanced energy transmission and delivery and an improved customer experience.

The utility achieved strong safety performance, reporting its lowest OSHA recordable case rate on record. Thanks to dedicated employees and leadership, Otter Tail Power Company continues to reach important milestones while safely and effectively providing customers with an essential service and maintaining affordable rates. Over the past decade, Otter Tail Power Company has grown by investing in infrastructure while maintaining residential rates nearly 30 percent below the national average, demonstrating our dedication to an intentional and responsible growth strategy.

## MANUFACTURING COMPANIES

### ACCELERATE OPERATIONAL EXCELLENCE

Our manufacturing platform continues to provide growth through new products and services, market expansion, and increased efficiencies.

BTD, our contract metal fabricator and largest manufacturing business, celebrated 40 years of innovation and growth. The company increased sales by 4 percent and net income by 13.9 percent and substantially grew business with key accounts in 2019. The Georgia facility, where we added stamping capability to improve logistics and better serve customers in the Southeast, significantly improved profitability as sales grew 19.7 percent in 2019. The company

**"WE REMAIN COMMITTED TO THE PURPOSEFUL SELECTION, PLANNING, AND EXECUTION OF THE RIGHT INITIATIVES AT THE RIGHT TIMES TO FACILITATE MEASURED GROWTH FOR EACH OF OUR PLATFORMS."**

accomplished this while delivering strong labor productivity and continuing to improve on already-strong safety performance, reporting its lowest OSHA recordable case rate on record.

BTD successfully managed metal cost pass-through despite great volatility in steel prices. The company balances production output and inventory levels to ensure on-time delivery remains strong. BTD continues to implement its sales, inventory, and operations planning process to plan for and respond to demand fluctuations in the oil and gas fracking markets.

T.O. Plastics, our plastics thermoforming manufacturer, is well positioned to meet demand in emerging horticulture markets. The company has installed new equipment, increasing production capacity to serve those markets.

Northern Pipe Products and Vinyltech, the PVC pipe manufacturing companies that comprise our plastics segment, performed well to overcome major weather issues that impacted sales volume during the first three quarters of 2019. Strong operational performance allowed the plastics segment to maximize margins despite a 3 percent drop in sales prices from 2018. We expect the beneficial 2019 housing market to continue in 2020. Both companies continue to compete effectively by being flexible and responsive and ensuring on-time deliveries.

Each manufacturing company had solid safety performance, coming in under 2019 targets and contributing to Otter Tail Corporation's lowest OSHA recordable case rate on record. Each company continues to provide great customer service and prepare for opportunities in the markets it serves.

## RECOGNIZE ACHIEVEMENT. ACCELERATE SUCCESS.

Otter Tail Corporation is focused on prudent capital investment, continued operations improvement, and talent development. We know our success depends on our understanding of the environments in which we operate, how we define our role within them, and how we deliver value. We remain committed to the purposeful selection, planning, and execution of the right initiatives at the right times to facilitate measured growth for each of our platforms.

We are energized by our 2019 achievements and look forward to 2020, accelerating into a new decade of success. Thank you to our customers for choosing to work with us, our employees for accomplishing so much, and you, our shareholders, for investing in our success.



Charles S. MacFarlane  
President and Chief Executive Officer



### ELECTRIC



**OTTER TAIL  
POWER COMPANY**  
Electric utility  
Fergus Falls, MN | 1907  
Tim Rogelstad  
654 employees  
www.otpco.com

### MANUFACTURING



**BTD MANUFACTURING, INC.**  
Metal fabricator  
Detroit Lakes, MN | 1995  
Paul Gintner  
1,145 employees  
www.btdmfg.com



### T.O. PLASTICS

**T.O. PLASTICS, INC.**  
Custom plastic  
parts manufacturer  
Clearwater, MN | 2001  
Paul Meschke  
201 employees  
www.toplastics.com



**NORTHERN PIPE  
PRODUCTS, INC.**  
PVC pipe manufacturer  
Fargo, ND | 1995  
Terry Mitzel  
94 employees  
www.northernpipe.com



**VINYLTECH CORPORATION**  
PVC pipe manufacturer  
Phoenix, AZ | 2000  
Steve Laskey  
74 employees  
www.vtpipe.com

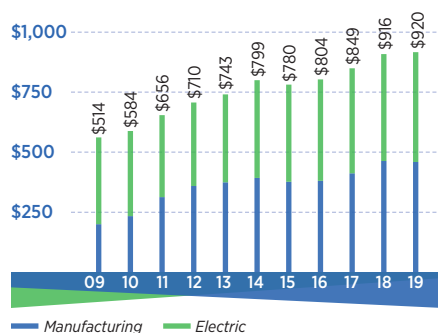
### LEGEND

*Company name*  
*Company description*  
*Headquarters | Year acquired*  
*President*  
*Full-time employees*  
*Website*

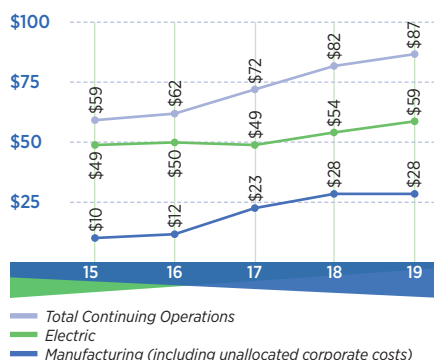




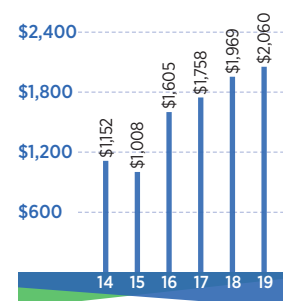
#### REVENUE BY PLATFORM (millions)



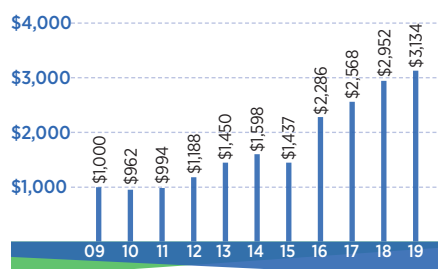
#### NET INCOME FROM CONTINUING OPERATIONS BY PLATFORM (millions)



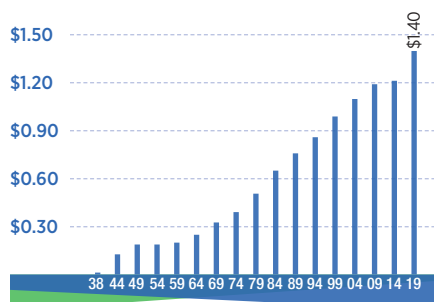
#### MARKET CAPITALIZATION (millions)



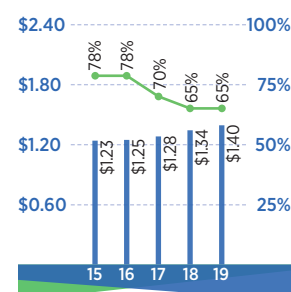
#### GROWTH OF \$1,000 INVESTMENT IN OTTER TAIL COMMON STOCK MADE DECEMBER 31, 2009 (with dividends reinvested)



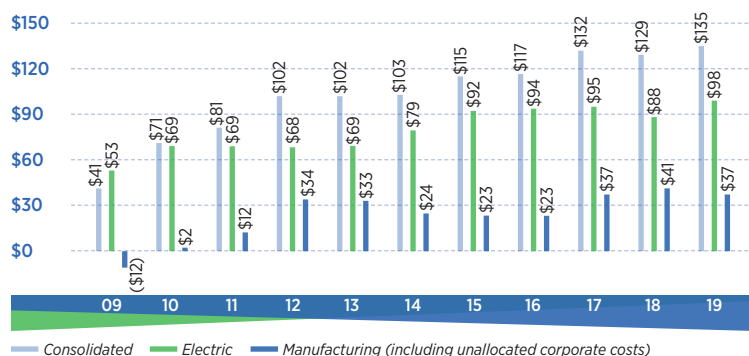
#### DIVIDEND PAYMENT HISTORY



#### DIVIDEND PAYOUT RATIO



#### OPERATING INCOME BY PLATFORM (millions, pre-tax)



| SELECTED COMMON SHARE DATA   | 2019     | 2018     | 2017     | 2016     | 2015     | 2014     |
|------------------------------|----------|----------|----------|----------|----------|----------|
| Market Price:                |          |          |          |          |          |          |
| High                         | \$ 57.74 | \$ 51.88 | \$ 48.65 | \$ 42.55 | \$ 33.44 | \$ 32.72 |
| Low                          | \$ 45.94 | \$ 39.00 | \$ 35.65 | \$ 25.80 | \$ 24.82 | \$ 26.53 |
| Common Price/Earnings Ratio: |          |          |          |          |          |          |
| High                         | 26.6     | 25.2     | 26.7     | 26.4     | 21.2     | 20.8     |
| Low                          | 21.2     | 18.9     | 19.6     | 16.0     | 15.7     | 16.9     |
| Book Value per Common Share  | \$ 19.46 | \$ 18.38 | \$ 17.62 | \$ 17.03 | \$ 15.98 | \$ 15.39 |

| SELECTED DATA AND RATIOS                                     | 2019  | 2018  | 2017  | 2016  | 2015  | 2014  |
|--------------------------------------------------------------|-------|-------|-------|-------|-------|-------|
| Interest Coverage Before Taxes <sup>(1)</sup>                | 4.1x  | 4.0x  | 4.3x  | 3.5x  | 3.5x  | 3.4x  |
| Effective Income Tax Rate (percent) <sup>(2)</sup>           | 17    | 15    | 27    | 24    | 27    | 23    |
| Return on Capitalization Including Short-term Debt (percent) | 8.0   | 8.4   | 7.9   | 7.5   | 7.6   | 8.0   |
| Return on Average Common Equity (percent) <sup>(3)</sup>     | 11.6  | 11.5  | 10.6  | 9.8   | 10.1  | 10.4  |
| Dividends Payout Ratio (percent)                             | 65    | 65    | 70    | 78    | 78    | 77    |
| Capital Ratio (percent):                                     |       |       |       |       |       |       |
| Short-term and Long-term Debt                                | 47.1  | 45.5  | 46.4  | 46.5  | 48.8  | 47.0  |
| Common Equity                                                | 52.9  | 54.5  | 53.6  | 53.5  | 51.2  | 53.0  |
|                                                              | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Notes: <sup>(1)</sup> Continuing Operations.

<sup>(2)</sup> Continuing Operations; see note 14 to consolidated financial statements in 2019 Annual Report on Form 10-K.

<sup>(3)</sup> Earnings available for common shares divided by the 13-month average of month-end common equity balances.

| SELECTED ELECTRIC OPERATING DATA                             | 2019         | 2018         | 2017         | 2016         | 2015         | 2014         |
|--------------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Revenues</b> (thousands)                                  |              |              |              |              |              |              |
| Residential                                                  | \$ 131,962   | \$ 127,539   | \$ 117,438   | \$ 115,782   | \$ 116,279   | \$ 119,730   |
| Commercial and Farms                                         | 144,662      | 145,237      | 132,677      | 135,813      | 128,406      | 138,126      |
| Industrial                                                   | 122,299      | 118,080      | 120,171      | 116,561      | 108,331      | 93,841       |
| Sales for Resale                                             | 5,007        | 7,735        | 5,173        | 4,584        | 2,685        | 12,191       |
| Other Electric                                               | 55,167       | 51,664       | 59,078       | 54,643       | 51,430       | 43,855       |
| Total Electric                                               | \$ 459,097   | \$ 450,255   | \$ 434,537   | \$ 427,383   | \$ 407,131   | \$ 407,743   |
| <b>Kilowatt-hours Sold</b> (thousands)                       |              |              |              |              |              |              |
| Residential                                                  | 1,303,317    | 1,321,132    | 1,243,194    | 1,220,946    | 1,272,912    | 1,386,104    |
| Commercial and Farms                                         | 1,625,373    | 1,611,770    | 1,586,225    | 1,598,668    | 1,585,037    | 1,708,570    |
| Industrial                                                   | 1,972,629    | 1,978,881    | 1,920,482    | 1,866,726    | 1,668,958    | 1,531,684    |
| Other                                                        | 67,770       | 65,177       | 65,083       | 64,081       | 66,697       | 68,704       |
| Total Retail                                                 | 4,969,089    | 4,976,960    | 4,814,984    | 4,750,421    | 4,593,604    | 4,695,062    |
| Sales for Resale                                             | 198,569      | 271,840      | 203,397      | 190,288      | 113,057      | 290,757      |
| Total Kilowatt-hours Sold                                    | 5,167,658    | 5,248,800    | 5,018,381    | 4,940,709    | 4,706,661    | 4,985,819    |
| <b>Annual Retail Kilowatt-hour Sales Growth</b> (percent)    | (0.2)        | 3.4          | 1.4          | 3.4          | (2.2)        | 4.6          |
| <b>Heating Degree Days</b> <sup>(4)</sup>                    | 7,240        | 6,904        | 5,931        | 5,314        | 5,633        | 7,205        |
| <b>Cooling Degree Days</b> <sup>(5)</sup>                    | 392          | 567          | 380          | 451          | 483          | 367          |
| <b>Average Revenue per Kilowatt-hour</b>                     |              |              |              |              |              |              |
| Residential                                                  | 10.13¢       | 9.65¢        | 9.45¢        | 9.48¢        | 9.13¢        | 8.64¢        |
| Commercial and Farms                                         | 8.90¢        | 9.01¢        | 8.36¢        | 8.50¢        | 8.11¢        | 8.08¢        |
| Industrial                                                   | 6.20¢        | 5.97¢        | 6.26¢        | 6.24¢        | 6.49¢        | 6.13¢        |
| All Retail                                                   | 8.12¢        | 7.74¢        | 7.73¢        | 7.82¢        | 7.83¢        | 7.63¢        |
| <b>Customers</b>                                             |              |              |              |              |              |              |
| Residential                                                  | 103,328      | 104,242      | 104,038      | 103,570      | 103,307      | 102,771      |
| Commercial and Farms                                         | 27,291       | 27,158       | 27,062       | 26,919       | 26,777       | 26,672       |
| Industrial                                                   | 48           | 55           | 51           | 44           | 47           | 47           |
| Other                                                        | 1,911        | 993          | 995          | 1,013        | 1,018        | 1,000        |
| Total Electric Customers                                     | 132,578      | 132,448      | 132,146      | 131,546      | 131,149      | 130,490      |
| <b>Residential Sales</b>                                     |              |              |              |              |              |              |
| Average Kilowatt-hours per Customer <sup>(6)</sup>           | 12,689       | 12,740       | 11,962       | 11,895       | 12,460       | 13,714       |
| Average Revenue per Residential Customer                     | \$ 1,289.40  | \$ 1,226.02  | \$ 1,161.25  | \$ 1,128.22  | \$ 1,175.08  | \$ 1,197.87  |
| <b>Depreciation Reserve</b> (thousands)                      |              |              |              |              |              |              |
| Electric Plant in Service                                    | \$ 2,212,884 | \$ 2,019,721 | \$ 1,981,018 | \$ 1,860,357 | \$ 1,820,763 | \$ 1,545,112 |
| Depreciation Reserve                                         | \$ 731,110   | \$ 699,642   | \$ 662,431   | \$ 622,657   | \$ 592,001   | \$ 584,956   |
| Reserve to Electric Plant (percent)                          | 33.0         | 34.6         | 33.4         | 33.5         | 32.5         | 37.9         |
| Composite Depreciation Rate (percent)                        | 2.81         | 2.76         | 2.74         | 2.88         | 2.61         | 2.89         |
| <b>Peak Demand and Net Generating Capability</b>             |              |              |              |              |              |              |
| Peak Demand (kilowatts)                                      | 923,962      | 911,726      | 916,522      | 903,462      | 896,706      | 873,842      |
| <b>Net Generating Capability</b> (kilowatts): <sup>(7)</sup> |              |              |              |              |              |              |
| Steam                                                        | 548,700      | 548,500      | 547,600      | 545,700      | 546,300      | 556,400      |
| Wind                                                         | 138,000      | 138,000      | 138,000      | 138,000      | 138,000      | 138,000      |
| Combustion Turbines                                          | 105,100      | 106,200      | 109,900      | 108,100      | 108,500      | 107,800      |
| Hydro                                                        | 2,800        | 2,900        | 2,800        | 2,500        | 2,500        | 2,500        |
| Total Owned Generating Capability                            | 794,600      | 795,600      | 798,300      | 794,300      | 795,300      | 804,700      |

Notes: <sup>(4)</sup> Based on 55 degrees Fahrenheit base and average method.

<sup>(5)</sup> Based on 65 degrees Fahrenheit base and average method.

<sup>(6)</sup> Based on average number of customers during the year.

<sup>(7)</sup> Measurement of summer net dependable capacity under MISO.

UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**FORM 10-K**

(Mark One)

- ☒ Annual Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 For the fiscal year ended **December 31, 2019**
- ☐ Transition Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number **0-53713**

**OTTER TAIL CORPORATION**

(Exact name of registrant as specified in its charter)

**MINNESOTA**

(State or other jurisdiction of incorporation or organization)

**27-0383995**

(I.R.S. Employer Identification No.)

**215 SOUTH CASCADE STREET, BOX 496, FERGUS FALLS, MINNESOTA**  
(Address of principal executive offices)

**56538-0496**  
(Zip Code)

Registrant's telephone number, including area code: **866-410-8780**

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class                       | Trading Symbol(s) | Name of each exchange on which registered |
|-------------------------------------------|-------------------|-------------------------------------------|
| Common Shares, par value \$5.00 per share | OTTR              | The Nasdaq Stock Market LLC               |

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer ☒  
Non-Accelerated Filer ☐

Accelerated Filer ☐  
Smaller Reporting Company ☐

Emerging Growth Company ☐

If an emerging growth company, indicate by checkmark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of common stock held by non-affiliates, computed by reference to the last sales price on June 28, 2019 was **\$2,040,017,347**.

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date:  
**40,214,375 Common Shares (\$5 par value) as of February 6, 2020.**

Documents Incorporated by Reference: **Proxy Statement for the 2020 Annual Meeting-Portions incorporated by reference into Part III**

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# DEFINITIONS

The following abbreviations or acronyms are used in the text. References in this report to “the Company”, “we”, “us” and “our” are to Otter Tail Corporation.

|                       |                                                                                                               |                       |                                                                                              |
|-----------------------|---------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------------------------------------------------------|
| <b>2018 Notes</b>     | February 2018 issuance of \$100 million in privately placed 4.07% Senior Unsecured Notes due February 7, 2048 | <b>LSA</b>            | Lignite Sales Agreement                                                                      |
| <b>ACE</b>            | Affordable Clean Energy                                                                                       | <b>MATS</b>           | Mercury and Air Toxics Standards                                                             |
| <b>ADIT</b>           | Accumulated Deferred Income Taxes                                                                             | <b>Merricourt</b>     | Merricourt Wind Energy Center                                                                |
| <b>ADP</b>            | Advance Determination of Prudence                                                                             | <b>MISO</b>           | Midcontinent Independent System Operator, Inc.                                               |
| <b>AFUDC</b>          | Allowance for Funds Used During Construction                                                                  | <b>MISO Tariff</b>    | MISO Open Access Transmission, Energy and Operating Reserve Markets Tariff                   |
| <b>ALJ</b>            | Administrative Law Judge                                                                                      | <b>MNCIP</b>          | Minnesota Conservation Improvement Program                                                   |
| <b>AQCS</b>           | Air Quality Control System                                                                                    | <b>MNDOC</b>          | Minnesota Department of Commerce                                                             |
| <b>ARO</b>            | Accumulated Asset Retirement Obligation                                                                       | <b>MPCA</b>           | Minnesota Pollution Control Agency                                                           |
| <b>ASC</b>            | Accounting Standards Codification                                                                             | <b>MPU Act</b>        | The Minnesota Public Utilities Act                                                           |
| <b>ASC 326</b>        | ASC Topic 326— <i>Financial Instruments—Credit Losses</i>                                                     | <b>MPUC</b>           | Minnesota Public Utilities Commission                                                        |
| <b>ASC 606</b>        | ASC Topic 606— <i>Revenue from Contracts with Customers</i>                                                   | <b>MRO</b>            | Midwest Reliability Organization                                                             |
| <b>ASC 718</b>        | ASC Topic 718— <i>Compensation—Stock Compensation</i>                                                         | <b>MVP</b>            | Multi-Value Project                                                                          |
| <b>ASC 820</b>        | ASC Topic 820— <i>Fair Value Measurement</i>                                                                  | <b>MW</b>             | megawatts                                                                                    |
| <b>ASC 840</b>        | ASC Topic 840— <i>Leases</i>                                                                                  | <b>NAAQS</b>          | National Ambient Air Quality Standards                                                       |
| <b>ASC 842</b>        | ASC Topic 842— <i>Leases</i>                                                                                  | <b>NAEMA</b>          | North American Energy Marketers Association                                                  |
| <b>ASC 980</b>        | ASC Topic 980— <i>Regulated Operations</i>                                                                    | <b>NDDEQ</b>          | North Dakota Department of Environmental Quality                                             |
| <b>ASM</b>            | Ancillary Services Market                                                                                     | <b>NDPSC</b>          | North Dakota Public Service Commission                                                       |
| <b>ASU</b>            | Accounting Standards Update                                                                                   | <b>NDRRRA</b>         | North Dakota Renewable Resource Adjustment                                                   |
| <b>ASU 2016-02</b>    | ASU No. 2016-02, <i>Leases (Topic 842)</i>                                                                    | <b>NERC</b>           | North American Electric Reliability Corporation                                              |
| <b>BTD</b>            | BTD Manufacturing, Inc.                                                                                       | <b>NETOs</b>          | New England Transmission Owners                                                              |
| <b>CAA</b>            | Clean Air Act                                                                                                 | <b>NPDES</b>          | National Pollutant Discharge Elimination System                                              |
| <b>CCMC</b>           | Coyote Creek Mining Company, L.L.C.                                                                           | <b>NOI</b>            | Notice of Inquiry                                                                            |
| <b>CCR</b>            | Coal Combustion Residuals                                                                                     | <b>Northern Pipe</b>  | Northern Pipe Products, Inc.                                                                 |
| <b>CO<sub>2</sub></b> | carbon dioxide                                                                                                | <b>NO<sub>x</sub></b> | nitrogen oxide                                                                               |
| <b>CON</b>            | Certificate of Need                                                                                           | <b>NTEC</b>           | Navajo Transitional Energy Co.                                                               |
| <b>CPP</b>            | Clean Power Plan                                                                                              | <b>NSPS</b>           | New Source Performance Standards                                                             |
| <b>CSAPR</b>          | Cross-State Air Pollution Rule                                                                                | <b>OTP</b>            | Otter Tail Power Company                                                                     |
| <b>CWIP</b>           | Construction Work in Progress                                                                                 | <b>PACE</b>           | Partnership in Assisting Community Expansion                                                 |
| <b>D.C. Circuit</b>   | United States Court of Appeals for the District of Columbia                                                   | <b>ppb</b>            | parts per billion                                                                            |
| <b>ECR</b>            | Environmental Cost Recovery                                                                                   | <b>PSD</b>            | Prevention of Significant Deterioration                                                      |
| <b>EDF</b>            | EDF Renewable Development, Inc.                                                                               | <b>PTCs</b>           | Production tax credits                                                                       |
| <b>EDF-USD</b>        | EDF-RE US Development, LLC                                                                                    | <b>PVC</b>            | Polyvinyl chloride                                                                           |
| <b>EEl</b>            | Edison Electric Institute                                                                                     | <b>RHR</b>            | Regional Haze Rule                                                                           |
| <b>EEP</b>            | Energy Efficiency Plan                                                                                        | <b>ROE</b>            | Return on equity                                                                             |
| <b>EPA</b>            | Environmental Protection Agency                                                                               | <b>RTO Adder</b>      | Incentive of additional 50-basis points for Regional Transmission Organization participation |
| <b>ESSRP</b>          | Executive Survivor and Supplemental Retirement Plan                                                           | <b>SDPUC</b>          | South Dakota Public Utilities Commission                                                     |
| <b>Exchange Act</b>   | The Securities Exchange Act of 1934                                                                           | <b>SEC</b>            | Securities and Exchange Commission                                                           |
| <b>FASB</b>           | Financial Accounting Standards Board                                                                          | <b>SF<sub>6</sub></b> | sulfur hexafluoride                                                                          |
| <b>FERC</b>           | Federal Energy Regulatory Commission                                                                          | <b>SO<sub>2</sub></b> | sulfur dioxide                                                                               |
| <b>GAAP</b>           | Generally Accepted Accounting Principles in the United States                                                 | <b>SPP</b>            | Southwest Power Pool                                                                         |
| <b>GCR</b>            | Generation Cost Recovery                                                                                      | <b>SRECs</b>          | Solar renewable energy credits                                                               |
| <b>GHG</b>            | Greenhouse Gas                                                                                                | <b>T.O. Plastics</b>  | T.O. Plastics, Inc.                                                                          |
| <b>IRP</b>            | Integrated Resource Plan                                                                                      | <b>TCR</b>            | Transmission Cost Recovery                                                                   |
| <b>kV</b>             | kiloVolt                                                                                                      | <b>TCJA</b>           | 2017 Tax Cuts and Jobs Act                                                                   |
| <b>kW</b>             | kiloWatt                                                                                                      | <b>Varistar</b>       | Varistar Corporation                                                                         |
| <b>kwh</b>            | kilowatt-hour                                                                                                 | <b>VIE</b>            | Variable Interest Entity                                                                     |
|                       |                                                                                                               | <b>Vinyltech</b>      | Vinyltech Corporation                                                                        |
|                       |                                                                                                               | <b>WIIN</b>           | Water Infrastructure Improvements for the Nation                                             |

# PART I

## ITEM 1. BUSINESS

### (a) General Development of Business

Otter Tail Power Company was incorporated in 1907 under the laws of the State of Minnesota. In 2001, the name was changed to “Otter Tail Corporation” to more accurately represent the broader scope of consolidated operations and the name Otter Tail Power Company (OTP) was retained for use by the electric utility. On July 1, 2009 Otter Tail Corporation completed a holding company reorganization whereby OTP, which had previously been operated as a division of Otter Tail Corporation, became a wholly owned subsidiary of the new parent holding company named Otter Tail Corporation (the Company). The new parent holding company was incorporated in June 2009 under the laws of the State of Minnesota in connection with the holding company reorganization. The Company’s executive offices are located at 215 South Cascade Street, P.O. Box 496, Fergus Falls, Minnesota 56538-0496 and 4150 19th Avenue South, Suite 101, P.O. Box 9156, Fargo, North Dakota 58106-9156. The Company’s telephone number is (866) 410-8780.

The Company makes available free of charge at its website ([www.ottertail.com](http://www.ottertail.com)) its annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, Forms 3, 4 and 5 filed on behalf of directors and executive officers and any amendments to these reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as soon as reasonably practicable after such material is electronically filed with or furnished to the Securities and Exchange Commission (SEC). These reports are also available on the SEC’s website ([www.sec.gov](http://www.sec.gov)). Information on the Company’s and the SEC’s websites is not deemed to be incorporated by reference into this report on Form 10-K.

Otter Tail Corporation and its subsidiaries conduct business primarily in the United States. The Company had approximately 2,208 full-time employees at December 31, 2019. The Company’s businesses have been classified in three segments to be consistent with its business strategy and the reporting and review process used by the Company’s chief operating decision maker. The three segments are Electric, Manufacturing and Plastics.

The chart below indicates the operating companies included in each of the Company’s reporting segments.

| ELECTRIC                 | MANUFACTURING           | PLASTICS                     |
|--------------------------|-------------------------|------------------------------|
| Otter Tail Power Company | BTD Manufacturing, Inc. | Northern Pipe Products, Inc. |
|                          | T.O. Plastics, Inc.     | Vinyltech Corporation        |

► **Electric** includes the production, transmission, distribution and sale of electric energy in Minnesota, North Dakota and South Dakota by OTP. In addition, OTP is a participant in the Midcontinent Independent System Operator, Inc. (MISO) markets. OTP’s operations have been the Company’s primary business since 1907.

► **Manufacturing** consists of businesses in the following manufacturing activities: contract machining, metal parts stamping, fabrication and painting, and production of plastic thermoformed horticultural containers, life science and industrial packaging, and material handling components. These businesses have manufacturing facilities in Georgia, Illinois and Minnesota and sell products primarily in the United States.

► **Plastics** consists of businesses producing polyvinyl chloride (PVC) pipe at plants in North Dakota and Arizona. The PVC pipe is sold primarily in the upper Midwest and Southwest regions of the United States.

OTP is a wholly owned subsidiary of the Company. The Company’s manufacturing and plastic pipe businesses are owned by its wholly owned subsidiary, Varistar Corporation (Varistar). The Company’s corporate operating costs include items such as corporate staff and overhead costs, the results of the Company’s captive insurance company and other items excluded from the measurement of operating segment performance that are not allocated to its subsidiary companies. Corporate assets consist primarily of cash, prepaid expenses, investments and fixed assets. Corporate is not an operating segment. Rather, it is added to operating segment totals to reconcile to totals on the Company’s consolidated financial statements.

The Company maintains a moderate risk profile by investing in rate base growth opportunities in its Electric segment and organic growth opportunities in its manufacturing platform, which includes its Manufacturing and Plastics segments. This strategy and risk profile are designed to provide a more predictable earnings stream, maintain the Company’s credit quality and preserve its ability to fund the dividend. The Company’s goal is to deliver annual growth in earnings per share between five to seven percent over the next several years, using 2019 diluted earnings per share as the base for measurement. The growth is expected to come from the substantial increase in the Company’s regulated utility rate base and from planned increased earnings from existing capacity in place at the Company’s manufacturing and plastic pipe businesses. The Company will continue to review its business portfolio to see where additional opportunities exist to improve its risk profile, improve credit metrics and generate additional sources of cash to support the growth opportunities in its electric utility. The Company will also evaluate opportunities to allocate capital to potential acquisitions in its Manufacturing and Plastics segments. Over time, the Company expects the electric utility business will provide approximately 75% to 85% of its overall earnings. The Company expects its manufacturing and plastic pipe businesses will provide 15% to 25% of its earnings and continue to be a fundamental part of its strategy. The actual mix of earnings in 2019 was 68% from the electric utility and 32% from the manufacturing and plastic pipe businesses, including unallocated corporate costs.

The Company maintains criteria in evaluating whether its operating companies are a strategic fit. The operating company should:

- Maintain a threshold level of net earnings and a return on invested capital in excess of the Company’s weighted average cost of capital.
- Have a strategic differentiation from competitors and a sustainable cost advantage.
- Operate within a stable and growing industry and be able to quickly adapt to changing economic cycles.
- Have a strong management team committed to operational and commercial excellence.

For a discussion of the Company’s results of operations, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” on pages 36 through 48 of this report on Form 10-K.

### (b) Financial Information about Industry Segments

The Company is engaged in businesses classified into three segments: Electric, Manufacturing and Plastics. See note 2 to our consolidated financial statements included in this report on Form 10-K for additional information about the Company’s segments and geographic areas.



## ELECTRIC

### GENERAL

Electric includes OTP which is headquartered in Fergus Falls, Minnesota, and provides electricity to more than 130,000 customers in a service area encompassing 70,000 square miles of western Minnesota, eastern North Dakota and northeastern South Dakota. The Company derived 50%, 49% and 51% of its consolidated operating revenues and 73%, 68% and 72% of its consolidated operating income from its Electric segment for the years ended December 31, 2019, 2018 and 2017, respectively.

The breakdown of retail electric revenues by state is as follows:

| State        | 2019   | 2018   |
|--------------|--------|--------|
| Minnesota    | 52.3%  | 52.6%  |
| North Dakota | 37.7   | 38.6   |
| South Dakota | 10.0   | 8.8    |
| Total        | 100.0% | 100.0% |

The territory served by OTP is predominantly agricultural. The aggregate population of OTP's retail electric service area is approximately 230,000. In this service area of 422 communities and adjacent rural areas and farms, approximately 126,000 people live in communities having a population of more than 1,000, according to the 2010 census. The only communities served which have a population in excess of 10,000 are Jamestown, North Dakota (15,427); Bemidji, Minnesota (13,431); and Fergus Falls, Minnesota (13,138). As of December 31, 2019, OTP served 132,578 customers. Although there are relatively few large customers, sales to commercial and industrial customers are significant. One customer accounted for 11.9% of 2019 Electric segment revenue.

The following table provides a breakdown of electric revenues by customer category. All other sources include gross wholesale sales from utility generation and sales to municipalities.

| Customer Category | 2019   | 2018   |
|-------------------|--------|--------|
| Commercial        | 35.4%  | 37.0%  |
| Residential       | 32.3   | 32.5   |
| Industrial        | 30.0   | 30.0   |
| All Other Sources | 2.3    | 0.5    |
| Total             | 100.0% | 100.0% |

### CAPACITY AND DEMAND

As of December 31, 2019, OTP's owned net-plant dependable kilowatt (kW) capacity was:

| Baseload Plants                            |            |
|--------------------------------------------|------------|
| Big Stone Plant                            | 257,600 kW |
| Coyote Station                             | 149,500    |
| Hoot Lake Plant                            | 141,600    |
| Total Baseload Net Plant                   | 548,700 kW |
| Combustion Turbine and Small Diesel Units  | 105,100 kW |
| Hydroelectric Facilities                   | 2,800 kW   |
| Owned Wind Facilities (rated at nameplate) |            |
| Luverne Wind Farm (33 turbines)            | 49,500 kW  |
| Ashtabula Wind Center (32 turbines)        | 48,000     |
| Langdon Wind Center (27 turbines)          | 40,500     |
| Total Owned Wind Facilities                | 138,000 kW |

The above capacity for Big Stone Plant and Coyote Station constitutes OTP's ownership percentages of 53.9% and 35%, respectively. OTP owns 100% of the Hoot Lake Plant. During 2019, about 54% of OTP's retail kilowatt-hour (kwh) sales were supplied from OTP generating plants with the balance supplied by purchased power.

In addition to the owned facilities described above, OTP had the following purchased power agreements in place on December 31, 2019:

| Purchased Wind Power Agreements (rated at nameplate and greater than 2,000 kW) |            |
|--------------------------------------------------------------------------------|------------|
| Ashtabula Wind III                                                             | 62,400 kW  |
| Edgeley                                                                        | 21,000     |
| Langdon                                                                        | 19,500     |
| Total Purchased Wind                                                           | 102,900 kW |
| Purchase of Capacity (in excess of 1 year and 500 kW)                          |            |
| Great River Energy (through May 2021)                                          | 50,000 kW  |

OTP has a direct control load management system which provides some flexibility to OTP to effect reductions of peak load. OTP also offers rates to customers which encourage off-peak usage.

OTP's capacity requirement is based on MISO Module E requirements. OTP is required to have sufficient Zonal Resource Credits to meet its monthly weather-normalized forecast demand, plus a reserve obligation. OTP met its MISO obligation for the 2019-2020 MISO planning year. OTP generating capacity combined with additional capacity under purchased power agreements (as described above) and load management control capabilities is expected to meet 2020 system demand and MISO reserve requirements.

### FUEL SUPPLY

Coal is the principal fuel burned at the Big Stone, Coyote and Hoot Lake generating plants. Coyote Station, a mine-mouth facility, burns North Dakota lignite coal. Hoot Lake Plant and Big Stone Plant burn western subbituminous coal transported by rail.

The following table shows the sources of energy used to generate OTP's net output of electricity for 2019 and 2018:

| Sources             | 2019                           |                           | 2018                           |                           |
|---------------------|--------------------------------|---------------------------|--------------------------------|---------------------------|
|                     | Net kwhs Generated (Thousands) | % of Total kwhs Generated | Net kwhs Generated (Thousands) | % of Total kwhs Generated |
| Subbituminous Coal  | 1,754,708                      | 58.3%                     | 1,891,394                      | 53.5%                     |
| Lignite Coal        | 734,740                        | 24.4                      | 1,080,639                      | 30.5                      |
| Wind and Hydro      | 467,301                        | 15.5                      | 494,394                        | 14.0                      |
| Natural Gas and Oil | 53,697                         | 1.8                       | 70,015                         | 2.0                       |
| Total               | 3,010,446                      | 100.0%                    | 3,536,442                      | 100.0%                    |



OTP has the following primary coal supply agreements:

| Plant           | Coal Supplier                         | Type of Coal          | Expiration Date   |
|-----------------|---------------------------------------|-----------------------|-------------------|
| Big Stone Plant | Peabody COALSALES, LLC                | Wyoming subbituminous | December 31, 2020 |
| Coyote Station  | Coyote Creek Mining Company, L.L.C.   | North Dakota lignite  | December 31, 2040 |
| Hoot Lake Plant | Navajo Transitional Energy Co. (NTEC) | Montana subbituminous | December 31, 2023 |

OTP and its Big Stone Plant co-owners entered into the current coal purchase agreement with Peabody COALSALES, LLC in May 2018 for the purchase of subbituminous coal for Big Stone Plant's coal requirements through December 31, 2020. There is no fixed minimum purchase requirement under this agreement but all of Big Stone Plant's coal requirements for the period covered must be purchased under this agreement.

In October 2012, OTP and its Coyote Station co-owners entered into a lignite sales agreement (LSA) with Coyote Creek Mining Company, L.L.C. (CCMC), a subsidiary of The North American Coal Corporation, for the purchase of Coyote Station's coal requirements for the period May 2016 through December 2040. The price per ton being paid by the Coyote Station owners under the LSA reflects the cost of production, along with an agreed profit and capital charge. The LSA provides for the Coyote Station owners to purchase the membership interests in CCMC in the event of certain early termination events and also at the end of the term of the LSA. OTP's share of unrecovered costs of CCMC as of December 31, 2019 were \$50.4 million. See note 1 to our consolidated financial statements included in this report on Form 10-K for additional information.

OTP's coal supply requirements for Hoot Lake Plant are secured under contract through December 2023. There are no fixed minimum purchase requirements under this agreement. In October 2019, NTEC purchased the assets of Cloud Peak Energy Resources LLC, including its Spring Creek Mine in southeast Montana, through bankruptcy court. For a two-day period in October, operations at the Spring Creek Mine were suspended due to a disagreement between the Montana Department of Environmental Quality and the NTEC. Subsequent to the suspension of operations, the two parties agreed to allow the mine to operate for an additional period while they work to resolve differences regarding the NTEC's waiver of sovereign immunity from the state's environmental laws.

Railroad transportation services to the Big Stone Plant and Hoot Lake Plant are provided under a common carrier rate by the BNSF Railway. The common carrier rate is subject to a mileage-based fuel surcharge. The basis for the fuel surcharge is the U.S. average price of retail on-highway diesel fuel. No coal transportation agreement is needed for Coyote Station as a mine-mouth facility.

The average cost of fuel consumed (including handling charges to the plant sites) per million British Thermal Units for the years 2019, 2018, and 2017 was \$2.129, \$1.977 and \$2.224, respectively.

## TRANSMISSION REVENUES

OTP earns significant revenues from the transmission of electricity for others over the transmission assets it separately owns, or jointly owns with other transmission service providers, under rate tariffs established by MISO and approved by the Federal Energy Regulatory Commission (FERC).

## GENERAL REGULATION

OTP is subject to regulation of rates and other matters in each of the three states in which it operates and by the federal government for certain interstate operations.

A breakdown of electric rate regulation by each jurisdiction follows:

|                          |                                      | 2019                   |                | 2018                   |                |
|--------------------------|--------------------------------------|------------------------|----------------|------------------------|----------------|
| Rates                    | Regulation                           | % of Electric Revenues | % of kwh Sales | % of Electric Revenues | % of kwh Sales |
| MN Retail Sales          | MN Public Utilities Commission       | 47.0%                  | 53.5%          | 46.2%                  | 54.1%          |
| ND Retail Sales          | ND Public Service Commission         | 33.8                   | 36.6           | 33.9                   | 36.8           |
| SD Retail Sales          | SD Public Utilities Commission       | 9.0                    | 9.9            | 7.7                    | 9.1            |
| Transmission & Wholesale | Federal Energy Regulatory Commission | 10.2                   | —              | 12.2                   | —              |
| Total                    |                                      | 100.0%                 | 100.0%         | 100.0%                 | 100.0%         |

OTP operates under approved retail electric tariffs in all three states it serves. OTP has an obligation to serve any customer requesting service within its assigned service territory. The pattern of electric usage can vary dramatically during a 24-hour period and from season to season. OTP's tariffs are designed to recover the costs of providing electric service. To the extent peak usage can be reduced or shifted to periods of lower usage, the cost to serve all customers is reduced. In order to shift usage from peak times, OTP has approved tariffs in all three states for residential demand control, general service time of use and time of day, real-time pricing, and controlled and interruptible service. Each of these specialized rates is designed to improve efficient use of OTP resources, while giving customers more control over their electric bill.

With a few minor exceptions, OTP's electric retail rate schedules currently provide for adjustments in rates based on the cost of fuel delivered to OTP's generating plants, as well as for adjustments based on the cost of electric energy purchased by OTP. OTP also credits certain margins from wholesale sales to the fuel and purchased power adjustment. The adjustments for fuel and purchased power costs for 2019 were based on a two-month moving average in Minnesota and were applied to the next billing period after becoming applicable. Adjustments for fuel and purchased power costs are presently based on a three-month moving average in South Dakota and a four-month moving average in North Dakota and are applied to the next billing period after becoming applicable. These adjustments also include an over or under recovery mechanism, which is calculated on an annual basis in Minnesota and on a monthly basis in North Dakota and South Dakota. Minnesota has made changes to its fuel and purchased power cost recovery mechanism that took effect on January 1, 2020 (see discussion under Minnesota—Fuel and Purchased Power Costs Recovery below).

## 2017 TAX CUTS AND JOBS ACT (TCJA)

The TCJA, passed in December 2017, reduced the federal corporate income tax rate from 35% to 21%, effective January 1, 2018. At the time of passage, OTP's electric rates had been developed using a 35% tax rate. The Minnesota Public Utilities Commission (MPUC), the North Dakota Public Service Commission (NDPSC), the South Dakota Public Utilities Commission (SDPUC) and the FERC each initiated dockets or proceedings to begin working with utilities to assess the impact of the lower rates on electric rates, and to develop regulatory strategies to incorporate the tax reduction into future electric rates, if warranted.

The MPUC required regulated utilities providing service in Minnesota to make filings by February 15, 2018. On August 9, 2018 the MPUC determined the impacts of the TCJA as calculated, including amortization of excess accumulated deferred income taxes, should be refunded and rates should be adjusted going forward to account for the impacts of the TCJA. On December 5, 2018 the MPUC issued its final order related to the TCJA docket directing OTP to return to

ratepayers, in a one-time refund, the TCJA-related savings accrued prior to the refund effective date. The order also directs OTP to use these savings to reduce customers' base rates prospectively, allocating the savings to customers in proportion to the size of each customer's bill, or to each customer class in proportion to the class's size. New rates reflecting the reduction in revenue requirements related to the TCJA tax rate reduction went into effect June 1, 2019. A one-time refund to Minnesota customers of \$11.5 million in excess of amounts billed from January 2018 through May 2019 occurred in August and September 2019.

OTP's recent general rate cases in North Dakota and South Dakota reflected the impact of the TCJA in interim rates. OTP accrued refund liabilities for the time periods during which revenues were collected under rates set to recover higher levels of federal income taxes than OTP incurred under the lower federal tax rates in the TCJA.

#### **ELECTRIC SEGMENT MAJOR CAPITAL EXPENDITURE PROJECTS**

Below are descriptions of OTP's major capital expenditure projects that have had, or are expected to have, a significant impact on OTP's revenue requirements, rates and alternative revenue recovery mechanisms, followed by summaries of the material regulations of each jurisdiction applicable to OTP's electric operations, as well as any specific electric rate proceedings during the last three years with the MPUC, the NDPS, the SDPUC and the FERC.

**Merricourt Wind Energy Center (Merricourt)**—On November 16, 2016 OTP entered into an Asset Purchase Agreement (the Purchase Agreement) with EDF Renewable Development, Inc. and certain of its affiliated companies (collectively, EDF) to purchase and assume the development assets and certain specified liabilities associated with Merricourt, a 150-megawatt (MW) wind farm in southeastern North Dakota, for a purchase price of approximately \$34.7 million, subject to adjustments for interconnection costs. Also on November 16, 2016, OTP entered into a Turnkey Engineering, Procurement and Construction Services Agreement (the TEPC Agreement) with EDF-RE US Development, LLC (EDF-USD) pursuant to which EDF-USD will develop, design, procure, construct, interconnect, test and commission the wind farm with a targeted completion date in 2020 for consideration of approximately \$200.5 million, subject to certain adjustments, payable following the closing of the Purchase Agreement in installments in connection with certain project construction milestones. The agreements contain customary representations, warranties, covenants and indemnities for this type of transaction. On October 26, 2017 the MPUC approved the facility under the Renewable Energy Standard making Merricourt eligible for cost recovery under the Minnesota Renewable Resource Recovery rider, subject to qualifications and reporting obligations. The MPUC's final written order was issued on January 10, 2018. A final order for an Advance Determination of Prudence (ADP) for Merricourt, subject to qualifications and compliance obligations, and a Certificate of Public Convenience and Necessity were issued by the NDPS on November 3, 2017. The phase-in rider approved by order of the SDPUC on March 6, 2019 includes recovery of Merricourt costs. The Merricourt generator interconnection agreement with MISO was approved by the FERC in April 2019.

In connection with action by the FERC, OTP and EDF-USD agreed, in the First Amendment to the Purchase Agreement and the TEPC Agreement dated June 11, 2019, to change the purchase price to \$37.7 million and to make a related reallocation of responsibility for interconnection costs and liabilities. On July 16, 2019, OTP closed on the purchase of substantially all of the development assets and assumed certain specified liabilities from EDF related to Merricourt pursuant to the Purchase Agreement, as amended, for a purchase price of approximately \$37.7 million, subject to certain adjustments, and issued the notice to

EDF-USD to begin construction in August 2019. As of December 31, 2019, OTP had capitalized approximately \$81.7 million in project costs and allowance for funds used during construction (AFUDC) associated with Merricourt. OTP expects the project will be completed in October 2020 and cost approximately \$258 million.

**Astoria Station**—OTP is constructing this 245 MW simple-cycle natural gas-fired combustion turbine generation facility near Astoria, South Dakota, as part of its plan to reliably meet customers' electric needs, replace expiring capacity purchase agreements and prepare for the planned retirement of its Hoot Lake Plant in 2021. A final order granting an ADP for Astoria Station was issued by the NDPS on November 3, 2017, subject to certain qualifications and compliance obligations. On August 3, 2018 the SDPUC issued an order granting a site permit for Astoria Station. In a September 26, 2018 hearing the NDPS established a Generation Cost Recovery Rider for future recovery of costs incurred for Astoria Station. On March 6, 2019 the SDPUC issued an order approving a settlement that allows a phase-in rider which includes recovery of Astoria Station costs. The interconnection agreement for Astoria Station was executed by MISO in December 2018 and accepted by the FERC in January 2019. Site preparation and excavation began in May 2019. As of December 31, 2019, OTP had capitalized approximately \$58.7 million in project costs and AFUDC associated with Astoria Station. OTP expects the project will be completed in late 2020 or early 2021 and cost approximately \$158 million.

#### **Big Stone South-Ellendale Multi-Value Transmission Project (MVP)**

This 345-kiloVolt (kV) transmission line, energized on February 6, 2019, extends 162 miles between a substation near Big Stone City, South Dakota and a substation near Ellendale, North Dakota. OTP jointly developed this project with Montana-Dakota Utilities Co., and the parties have equal ownership interest in the transmission line portion of the project. The MISO approved this project as an MVP under the MISO Open Access Transmission, Energy and Operating Reserve Markets Tariff (MISO Tariff) in December 2011. MVPs are designed to enable the MISO region to comply with energy policy mandates and to address reliability and economic issues affecting multiple areas within the MISO region. The cost allocation is designed to ensure the costs of transmission projects with regional benefits are properly assigned to those who benefit from the MVP. OTP capitalized costs of approximately \$106 million on this project, including assets that are 100% owned by OTP.

Recovery of OTP's major transmission investments is through the MISO Tariff and, currently, Minnesota, North Dakota and South Dakota base rates and Transmission Cost Recovery (TCR) riders.

#### **MINNESOTA**

Under the Minnesota Public Utilities Act (the MPU Act), OTP is subject to the jurisdiction of the MPUC with respect to rates, issuance of securities, depreciation rates, public utility services, construction of major utility facilities, establishment of exclusive assigned service areas, contracts and arrangements with subsidiaries and other affiliated interests, and other matters. The MPUC has the authority to assess the need for large energy facilities and to issue or deny certificates of need, after public hearings, within one year of an application to construct such a facility.

Pursuant to the Minnesota Power Plant Siting Act, the MPUC has authority to select or designate sites in Minnesota for new electric power generating plants (50,000 kW or more) and routes for transmission lines (100 kV or more) in an orderly manner compatible with environmental preservation and the efficient use of resources, and to certify such sites and routes as to environmental compatibility after an environmental impact study has been conducted by the Minnesota Department of Commerce (MNDOC) and the Office of Administrative Hearings has conducted contested case hearings.

The Minnesota Division of Energy Resources, part of the MNDOC, is responsible for investigating all matters subject to the jurisdiction of the MNDOC or the MPUC, and for the enforcement of MPUC orders. Among other things, the MNDOC is authorized to collect and analyze data on energy including the consumption of energy, develop recommendations as to energy policies for the governor and the legislature of Minnesota and evaluate policies governing the establishment of rates and prices for energy as related to energy conservation. The MNDOC also has the power, in the event of energy shortage or for a long-term basis, to prepare and adopt regulations to conserve and allocate energy.

**General Rates**—The MPUC rendered its final decision in OTP's 2016 general rate case in March 2017 and issued its written order on May 1, 2017. Pursuant to the order, OTP's allowed rate of return on rate base decreased from 8.61% to 7.5056% and its allowed rate of return on equity (ROE) decreased from 10.74% to 9.41%. The MPUC denied OTP's request for reconsideration of certain of the MPUC's rulings in the rate case.

The MPUC's order also included: (1) the determination that all costs (including FERC allocated costs and revenues) of the Big Stone South-Brookings and Big Stone South-Elendale MVPs will be included in the Minnesota TCR rider and jurisdictionally allocated to OTP's Minnesota customers (see discussion under Minnesota Transmission Cost Recovery Rider below), and (2) approval of OTP's proposal to transition rate base, expenses and revenues from Environmental Cost Recovery (ECR) and TCR riders to base rate recovery, which occurred when final rates were implemented on November 1, 2017. Certain MISO expenses and revenues remain in the TCR rider to allow for the ongoing refund or recovery of these variable revenues and costs.

OTP accrued interim and rider rate refunds until final rates became effective. The final interim rate refund, including interest, of \$9.0 million was applied as a credit to Minnesota customers' electric bills beginning in November 2017. In addition to the interim rate refund, OTP refunded the difference between (1) amounts collected under its Minnesota ECR and TCR riders based on the ROE approved in its most recent rider update and (2) amounts that would have been collected based on the lower 9.41% ROE approved in its 2016 general rate case going back to April 16, 2016, the date interim rates were implemented. The revenues collected under the Minnesota ECR and TCR riders subject to refund due to the lower ROE rate and other adjustments were \$0.9 million and \$1.4 million, respectively. These amounts were refunded to Minnesota customers over a 12-month period beginning in November 2017 through reductions in the Minnesota ECR and TCR rider rates. The TCR rider rate is provisional and subject to revision under a separate docket.

**Integrated Resource Plan (IRP)**—Minnesota law requires utilities to submit to the MPUC for approval a 15-year advance IRP. A resource plan is a set of resource options a utility could use to meet the service needs of its customers over a forecast period, including an explanation of the utility's supply and demand circumstances, and the extent to which each resource option would be used to meet those service needs. The MPUC's findings of fact and conclusions regarding resource plans shall be considered prima facie evidence, subject to rebuttal, in Certificate of Need (CON) hearings, rate reviews and other proceedings. Typically, resource plans are submitted every two years.

On April 26, 2017 the MPUC issued an order approving OTP's 2017-2031 IRP filing with modifications and setting requirements for the next resource plan. The approved plan with modifications included the following items:

- ▶ The addition of 200 MW of wind resources in the 2018 to 2020 timeframe.
- ▶ The addition of 30 MW of solar resources by 2020 to comply with Minnesota's Solar Energy Standard.

- ▶ The addition of up to 250 MW of peaking capacity in 2021.
- ▶ Average annual energy savings of 46.8 gigawatt-hours (1.6% of retail sales).
- ▶ Modification of OTP's IRP to include an additional 100 MW to 200 MW of wind in the 2022 to 2023 timeframe.

On November 29, 2018 the MPUC extended the deadline for OTP's next IRP filing from June 3, 2019 to June 1, 2020. The MPUC order cited two key environmental regulations for which the impacts on OTP facilities were not yet ascertainable: the federal Regional Haze Rule (RHR) promulgated by the Environmental Protection Agency (EPA) in 1999 and the Affordable Clean Energy (ACE) Rule proposed by the EPA in August 2018. On August 29, 2019 OTP filed a request to extend the next resource plan filing date from June 1, 2020 to September 1, 2021. The main reason for this request was to have more certainty on the North Dakota Department of Environmental Quality (NDDEQ) decision on the technology required to comply with the RHR. On December 5, 2019 the MPUC granted OTP's request for an extension until September 1, 2021 to file its next resource plan. In connection with the extension, OTP is required to file a document detailing its bidding process and timeline for a solar project by April 15, 2020 and to make a compliance filing with the MPUC detailing proposed next steps for contract negotiations and filings by July 1, 2020. By December 31, 2020 OTP is required to make a supplemental filing modeling scenarios showing differing levels of RHR compliance costs, including a scenario where Coyote Station closes as an alternative to adding environmental controls. OTP is also required to provide a number of sensitivities for each scenario, including Minnesota environmental externalities and carbon regulatory costs.

**Fuel and Purchased Power Costs Recovery**—The MPUC issued an order authorizing the implementation of a new fuel clause adjustment mechanism to be implemented January 1, 2020. OTP will submit forecasted monthly fuel cost rates in advance for the upcoming twelve-month period beginning January 1 of each year. On approval by the MPUC, those rates will be published in advance of each year to give customers notice of the next year's monthly fuel rates, and those will be the rates OTP will charge per kwh to cover fuel costs. OTP will track its actual costs throughout the year and then file an annual report with the MPUC comparing the actual cost per kwh to the billed cost per kwh to determine if any over or under collection of costs occurred. OTP would refund any over-collections, or in the case of an under-collection, be required to show prudence of costs incurred over forecast before being authorized recovery. The refund of any over-collection or recovery of any under-collection would be handled through a true-up mechanism.

This mechanism could result in reductions in Electric segment operating income margins, increase variability in consolidated net income in future periods if costs per kwh vary from forecasted costs per kwh, and cause an increase in working capital and short-term borrowings in the event recovery of all or a portion of excess costs is delayed or denied by the MPUC.

**Renewable Energy Standards, Conservation, Renewable Resource Riders**—Minnesota law favors energy conservation and load-management measures over the addition of new generation resources. In addition, Minnesota law requires the use of renewable resources where new supplies are needed, unless the utility proves that a renewable energy facility is not in the public interest. Minnesota law requires the MPUC, to the extent practicable, to quantify the environmental costs associated with each method of electricity generation, and to use such monetized values in evaluating generation resources. The MPUC must disallow any nonrenewable rate base additions (whether within or outside of the state) or any related rate recovery and may not approve any nonrenewable energy facility in an IRP, unless the utility proves that a renewable

energy facility is not in the public interest. The state has prioritized the acceptability of new generation with wind and solar ranked first, the highest ranking, and coal and nuclear ranked fifth, the lowest ranking. The MPUC's currently applicable estimate of the range of costs of future carbon dioxide (CO<sub>2</sub>) regulation to be used in modeling analyses for resource plans is \$5.00 to \$25.00 per ton of CO<sub>2</sub> commencing in 2025, but this range is currently under review by the MPUC. The MPUC is required to annually update these estimates.

Minnesota has a renewable energy standard which requires OTP to generate or procure sufficient renewable generation such that the following percentages of total retail electric sales to Minnesota customers come from qualifying renewable sources: 17% by 2016; 20% by 2020 and 25% by 2025. OTP meets the current renewable sources requirements with a combination of owned renewable generation and purchases from renewable generation sources. Minnesota law also requires 1.5% of total Minnesota electric sales by public utilities to be supplied by solar energy by 2020. For a public utility with between 50,000 and 200,000 retail electric customers, such as OTP, at least 10% of the 1.5% requirement must be met by solar energy generated by or procured from solar photovoltaic devices with a nameplate capacity of 40 kW or less. If approved by the MPUC, individual customer subscriptions to an OTP-operated community solar garden program of 40 kW or less could be applied toward the 10% requirement. OTP has purchased sufficient solar renewable energy credits (SRECs) to meet 100% of its 2020 obligation and approximately 70% of its 2021 obligation.

Under certain circumstances and after consideration of costs and reliability issues, the MPUC may modify or delay implementation of the standards. OTP is evaluating potential options for maintaining compliance and meeting the solar energy standard beyond 2021. OTP's compliance with the Minnesota renewable energy standard will be measured through the Midwest Renewable Energy Tracking System.

Under the Next Generation Energy Act of 2007, an automatic adjustment mechanism was established to allow Minnesota electric utilities to recover investments and costs incurred to satisfy the requirements of the renewable energy standard. The MPUC is authorized to approve a rate schedule rider to enable utilities to recover the costs of qualifying renewable energy projects that supply renewable energy to Minnesota customers. Cost recovery for qualifying renewable energy projects can be authorized outside of a rate case proceeding, provided that such renewable projects have received previous MPUC approval. Renewable resource costs eligible for recovery may include return on investment, depreciation, operation and maintenance costs, taxes, renewable energy delivery costs and other related expenses.

**Minnesota Conservation Improvement Programs (MNCIP)**—Under Minnesota law, every regulated public utility that furnishes electric service must make annual investments and expenditures in energy conservation improvements or make a contribution to the state's energy and conservation account, in an amount equal to at least 1.5% of its gross operating revenues from service provided in Minnesota.

The MNDOC may require a utility to make investments and expenditures in energy conservation improvements whenever it finds that the improvement will result in energy savings at a total cost to the utility less than the cost to the utility to produce or purchase an equivalent amount of a new supply of energy. Such MNDOC orders can be appealed to the MPUC. Investments made pursuant to such orders generally are included as recoverable costs in rate cases, even though ownership of the improvement may belong to the property owner rather than the utility. OTP recovers conservation related costs not included in base rates under the MNCIP through the use of an annual recovery mechanism approved by the MPUC.

On May 25, 2016 the MPUC adopted changes to the MNCIP financial incentive. The model provides utilities an incentive of 13.5% of 2017 net benefits, 12% of 2018 net benefits and 10% of 2019 net benefits, assuming the utility achieves 1.7% savings compared to retail sales. The financial incentive is also limited to 40% of 2017 MNCIP spending, 35% of 2018 spending and 30% of 2019 spending. The new model reduces the MNCIP financial incentive by approximately 50% compared to the previous incentive mechanism. The MNDOC issued a decision on May 20, 2019 to extend all utilities 2017-2019 MNCIP plans one year, through 2020, with an incentive based on 30% of spending and 10% of net benefits.

On March 31, 2017 OTP requested approval for recovery of its 2016 MNCIP program costs not included in base rates, \$5.0 million in performance incentives and an update to the MNCIP surcharge from the MPUC. On September 15, 2017 the MPUC issued an order approving OTP's request with an effective date of October 1, 2017.

Based on results from the 2017 MNCIP program year, OTP recognized a financial incentive of \$2.6 million in 2017. The 2017 program resulted in a decrease in energy savings compared to 2016 program results of approximately 10%. OTP requested approval for recovery of its 2017 MNCIP program costs not included in base rates on March 30, 2018. The request included a \$2.6 million financial incentive and an update to the MNCIP surcharge from the MPUC. On June 13, 2018, in reply comments to a MNDOC recommendation for approval filed on May 30, 2018, OTP increased its request for a financial incentive to \$2.9 million. On October 4, 2018, the MPUC issued an order approving OTP's request of \$2.9 million with an effective date of November 1, 2018, subject to further review by the MPUC to ensure no previous decisions conflict with the decision, with \$0.3 million reserved for potential future refund. No refund was required, and the \$0.3 million reserve was reversed and recorded as revenue in 2019.

Based on results from the 2018 MNCIP program year, OTP recognized a financial incentive of \$3.0 million in 2018. OTP requested approval for recovery of its 2018 MNCIP program costs not included in base rates on April 1, 2019. The request included a \$3.0 million financial incentive and an update to the MNCIP surcharge from the MPUC. On October 24, 2019 the MPUC approved a \$3.0 million financial incentive for 2018.

Based on results from the 2019 MNCIP program year, OTP recognized a financial incentive of \$2.7 million in 2019. By April 1, 2020 OTP will request approval from the MPUC for recovery of the 2019 financial incentive and its 2019 program costs not included in base rates.

In 2016 the MNDOC opened a docket to investigate how investor-owned utilities calculate their avoided costs pertaining to transmission and distribution. Avoided costs are the basis of MNCIP program benefits which, going forward, will establish OTP's financial incentive. On May 23, 2016 the MNDOC accepted OTP's 2017 avoided costs calculation but required Minnesota investor-owned utilities to undergo an analysis of transmission and distribution avoided costs for 2018 and 2019. On September 29, 2017, the MNDOC issued a decision on utilities' transmission and distribution avoided costs. The decision did not require OTP to update avoided costs or cost-effectiveness for the 2017-2019 MNCIP triennial plan. The decision directed OTP to use the discrete approach methodology to calculate avoided transmission and distribution costs as part of OTP's 2020-2022 MNCIP plans. On May 20, 2019 the MNDOC issued a decision allowing OTP to use its 2017-2019 avoided costs for the 2020 MNCIP year. The decision also approved the use of OTP's newly established avoided costs for the 2021-2023 MNCIP triennial plan expected to be filed with the MNDOC on June 1, 2020.

**Transmission Cost Recovery Rider**—The MPU Act authorizes the MPUC to approve a mechanism for automatic adjustment outside of a general rate proceeding to recover the costs of new transmission facilities that have been previously approved by the MPUC in a CON proceeding, certified by the MPUC as a Minnesota priority transmission project,



made to transmit the electricity generated from renewable generation sources ultimately used to provide service to the utility's retail customers, or that are exempt from the requirement to obtain a Minnesota CON. The MPUC may also authorize cost recovery via such TCR riders for charges incurred by a utility under a federally approved tariff that accrue from other transmission owners' regionally planned transmission projects that have been determined by the MISO to benefit the utility or integrated transmission system. The MPU Act also authorizes TCR riders to recover the costs of new transmission facilities approved by the regulatory commission of the state in which the new transmission facilities are to be constructed, to the extent approval is required by the laws of that state and determined by the MISO to benefit the utility or integrated transmission system. Finally, under certain circumstances, the MPU Act also authorizes TCR riders to recover the costs associated with distribution planning and investments in distribution facilities to modernize the utility grid. Such TCR riders allow a return on investment at the level approved in a utility's most recently completed general rate case or such other rate of return the MPUC determines is in the public interest. Additionally, following approval of a rate schedule, the MPUC may approve annual rate adjustments filed pursuant to the rate schedule. MISO regional cost allocation allows OTP to recover some of the costs of its transmission investment from other MISO customers.

OTP filed an update to its TCR rider on April 29, 2016 to incorporate the impact of bonus depreciation for income taxes, an adjusted rate of return on rate base and allocation factors to align with its 2016 general rate case request. On July 5, 2016 the MPUC issued an order approving the proposed rates on a provisional basis, as recommended by the MNDOC. The proposed rate changes went into effect on September 1, 2016. On October 30, 2017 the MPUC issued an order resetting OTP's Minnesota TCR rates in effect since September 1, 2016 to refund \$3.3 million previously collected under the rider, beginning November 1, 2017. The reset rates were approved on a provisional basis in the Minnesota general rate case docket, subject to revision in a separate docket.

In OTP's 2016 general rate case order issued on May 1, 2017, the MPUC ordered OTP to include, in the TCR rider retail rate base, Minnesota's jurisdictional share of OTP's investment in the Big Stone South-Brookings and Big Stone South-Ellendale MVPs and all revenues received from other utilities under MISO's tariffed rates as a credit in its TCR revenue requirement calculations. In doing so, the MPUC's order diverted interstate wholesale revenues approved by the FERC to offset FERC-approved expenses, effectively reducing OTP's recovery of those FERC-approved expense levels. The MPUC-ordered treatment resulted in the projects being treated as retail investments for Minnesota retail ratemaking purposes. Because the FERC's revenue requirements and authorized returns vary from the MPUC revenue requirements and authorized returns for the project investments over the lives of the projects, the impact of this decision can vary over time and be dependent on the differences between the revenue requirements and returns in the two jurisdictions at any given time. On August 18, 2017 OTP filed an appeal of the MPUC order with the Minnesota Court of Appeals to contest the portion of the order requiring OTP to jurisdictionally allocate costs of the FERC MVP transmission projects in the TCR rider.

On June 11, 2018 the Minnesota Court of Appeals reversed the MPUC's order related to the inclusion of Minnesota's jurisdictional share of OTP's investment in the Big Stone South-Brookings and Big Stone South-Ellendale MVPs and all revenues received from other utilities under MISO's tariffed rates as a credit in OTP Minnesota TCR revenue requirement calculations. On July 11, 2018 the MPUC filed a petition for review of the MVP decision to the Minnesota Supreme Court, which has granted review of the Minnesota Court of Appeals decision. A decision by the Minnesota Supreme Court is expected in the second quarter of 2020.

On November 30, 2018 OTP filed its annual update and supplemental filing to the Minnesota TCR rider. In this filing two scenarios were

submitted based on whether the Minnesota Supreme Court affirms the original decision by the Minnesota Court of Appeals to exclude the MVP projects from the TCR rider or overturns the Minnesota Court of Appeals decision and includes the two MVP projects in the TCR rider. In addition, on April 1, 2019, the MNDOC filed comments in OTP's TCR rider docket, opposing OTP's proposal for TCR rider recovery of these costs. The MPUC is not expected to act on the TCR rider until after the Minnesota Supreme Court has acted and additional briefing has occurred in the docket. The estimated amount credited to Minnesota customers under the TCR rider through December 31, 2019 and subject to recovery if the Minnesota Court of Appeals decision is upheld, is approximately \$2.6 million. If the Minnesota Court of Appeals decision is upheld, there will be additional briefing in the pending TCR rider docket regarding the recovery of these costs.

**Environmental Cost Recovery Rider**—The Minnesota ECR rider provided for recovery of OTP's Minnesota jurisdictional share of the revenue requirements of its investment in the Big Stone Plant Air Quality Control System (AQCS). The ECR rider provided for a return on the project's construction work in progress (CWIP) balance at the level approved in OTP's 2010 general rate case. On October 30, 2017 the MPUC issued an order resetting OTP's Minnesota ECR rate in effect since September 1, 2016 to refund \$1.9 million previously collected under the rider, beginning November 1, 2017. In its 2016 general rate case order, the MPUC approved OTP's proposal to transition eligible rate base and expense recovery from the ECR rider to base rate recovery, effective with implementation of final rates in November 2017. Accordingly, in its 2018 annual update filing OTP requested, and the MPUC approved, setting the Minnesota ECR rider rate to zero effective December 1, 2018.

**Capital Structure Petition**—Minnesota law requires an annual filing of a capital structure petition with the MPUC. In this filing the MPUC reviews the capital structure for OTP. Once the petition is approved, OTP may issue securities without further petition or approval, provided the issuance is consistent with the purposes and amounts set forth in the approved capital structure petition. The MPUC approved OTP's most recent capital structure petition on July 19, 2019, allowing for an equity-to-total-capitalization ratio between 46.0% and 56.2%, with total capitalization not to exceed \$1,331,302,000 until the MPUC issues a new capital structure order for 2020. OTP is required to file its 2020 capital structure petition no later than May 1, 2020.

#### **NORTH DAKOTA**

OTP is subject to the jurisdiction of the NDPSC with respect to rates, services, certain issuances of securities, construction of major utility facilities and other matters. The NDPSC periodically performs audits of gas and electric utilities over which it has rate setting jurisdiction to determine the reasonableness of overall rate levels. In the past, these audits have occasionally resulted in settlement agreements adjusting rate levels for OTP.

The North Dakota Energy Conversion and Transmission Facility Siting Act grants the NDPSC the authority to approve sites and routes in North Dakota for large electric generating facilities and high voltage transmission lines, respectively. This Act is similar to the Minnesota Power Plant Siting Act described above and applies to proposed wind energy electric power generating plants exceeding 500 kW of electricity, non-wind energy electric power generating plants exceeding 50,000 kW and transmission lines with a design in excess of 115 kV. OTP is also required to submit a ten-year facility plan to the NDPSC biennially.

The NDPSC reserves the right to review the issuance of stocks, bonds, notes and other evidence of indebtedness of a public utility. However, the issuance by a public utility of securities registered with the SEC is expressly exempted from review by the NDPSC under North Dakota state law.

**General Rates**—On November 2, 2017 OTP filed a request with the NDPSC for a rate review and an effective increase in annual revenues from non-fuel base rates of \$13.1 million or 8.72%. The requested \$13.1 million increase was net of reductions in North Dakota Renewable Resource Adjustment (NDRRA), TCR and ECR rider revenues that would have resulted from a lower allowed ROE and changes in allocation factors in the general rate case. In the request, OTP proposed an allowed return on rate base of 7.97% and an allowed ROE of 10.30%. On December 20, 2017 the NDPSC approved OTP's request for interim rates to increase annual revenue collections by \$12.8 million, effective January 1, 2018. In response to the reduction in the federal corporate tax rate under the TCJA, the NDPSC issued an order on February 27, 2018 reducing OTP's annual revenue requirement for interim rates by \$4.5 million to \$8.3 million, effective March 1, 2018.

On March 23, 2018 OTP made a supplemental filing to its initial request for a rate review, reducing its request for an annual revenue increase from \$13.1 million to \$7.1 million, a 4.8% annual increase. The \$6.0 million decrease included \$4.8 million related to tax reform and \$1.2 million related to other updates.

In a September 26, 2018 hearing the NDPSC approved an overall annual revenue increase of \$4.6 million (3.1%) and a ROE of 9.77% on a 52.5% equity capital structure. This compares with OTP's March 2018 adjusted annual revenue increase request of \$7.1 million (4.8%) and a requested ROE of 10.3%. The NDPSC's approval does not require any rate base adjustments from OTP's original request and establishes a Generation Cost Recovery (GCR) rider for future recovery of costs incurred for Astoria Station. The net revenue increase reflects a reduction in income tax recovery requirements related to the TCJA and decreases in rider revenue recovery requirements. Final rates were effective February 1, 2019, with refunds of excess revenues collected under interim rates applied to customers' April 2019 bills, including \$0.8 million for amounts collected reflecting the higher tax rates under interim rates in effect in January and February 2018.

**Renewable Resource Adjustment**—OTP has a NDRRA rider which enables OTP to recover the North Dakota share of its investments in renewable energy facilities it owns. This rider allows OTP to recover costs associated with new renewable energy projects as they are completed, along with a return on investment. OTP submitted its 2016 annual update to the NDRRA rider rate on December 30, 2016, requesting a decrease to the NDRRA rate from 7.573% to 7.005%. The NDPSC approved the NDRRA 2016 annual update on March 15, 2017 with an effective date of April 1, 2017.

In conjunction with OTP's November 2, 2017 general rate case filing, OTP submitted an updated proposal to adjust the NDRRA rate to reflect updated costs and collections, as well as reflect a rate of return and capital structure level consistent with those proposed in the general rate case. The NDPSC approved the update to the NDRRA rate in conjunction with approving the rate case interim rates and the NDRRA rate increased from 7.005% to 7.756% with an effective date of January 1, 2018. A reset of the NDRRA rate to reflect the effect of the federal corporate tax rate reduction under the TCJA was approved on February 27, 2018, reducing the NDRRA rate to 7.493%, effective March 1, 2018.

On May 1, 2019 the NDPSC approved OTP's request for an annual update to its NDRRA rider rate to -0.224% of base charges, based on an annual refund requirement of \$235,000, effective for bills rendered on and after June 1, 2019. The refund requirement results from recovery of the Ashtabula, Langdon, and Luverne wind projects being moved into base rates as of December 31, 2018 as well as a reduction in revenue requirements related to the difference between the deferred tax asset for federal Production Tax Credits (PTCs) included in base rates and actual amounts associated with the Ashtabula and Langdon wind projects.

Effective in February 2019 with the implementation of general rates based on the results of OTP's 2017 general rate case, recovery of renewable resource costs previously being recovered through the NDRRA rider transitioned to recovery in base rates.

On December 31, 2019 OTP filed its annual update to the NDRRA requesting approval for recovery of \$3.8 million in renewable energy costs from its North Dakota customers. The \$3.8 million is net of a credit of \$0.5 million for amounts over-collected under the North Dakota ECR that will be credited to North Dakota customers through this RRA update.

**Transmission Cost Recovery Rider**—North Dakota law provides a mechanism for automatic adjustment outside of a general rate proceeding to recover jurisdictional capital and operating costs incurred by a public utility for new or modified electric transmission facilities. For qualifying projects, the law authorizes a current return on CWIP and a return on investment at the level approved in the utility's most recent general rate case. Based on the order in the general rate case, only certain costs will remain subject to refund or recovery through this rider: Southwest Power Pool (SPP) costs and MISO Schedule 26 and 26A revenues and expenses and costs related to rider projects still under construction in the test year used in the 2017 general rate case. This rider continues to be updated annually for new or modified electric transmission facilities and associated operating costs.

On August 31, 2017 OTP filed its annual update to the TCR rider requesting a revenue requirement of \$8.6 million. OTP made a supplemental filing on November 2, 2017, reducing its request by \$0.6 million to \$8.0 million to reflect the rate of return and allocation factors used in its general rate case filed the same day. The NDPSC approved the update for recovery of the \$8.0 million revenue requirement on November 29, 2017 and the new rates went into effect on January 1, 2018. A reset of the TCR rate to reflect the effect of the federal corporate tax rate reduction under the TCJA was approved on February 27, 2018, reducing annual revenue recovery under the TCR rate by \$0.5 million effective March 1, 2018.

On August 31, 2018 OTP filed its annual update to the TCR rider. The filing included three new projects along with updates to collections, actual costs and forecasted amounts for rider-eligible projects. The filing also reflected projects moving to base rates proposed to become effective in October 2018, in the above-described general rate case. On November 7, 2018 OTP filed a supplement to the TCR rider update indicating two of the three new projects had been postponed and the roll-in of rider costs to base rates was calculated based on a change to January 1, 2019. The update request was approved by the NDPSC on December 6, 2018 and the updated rates went into effect with bills rendered on or after February 1, 2019 to coincide with the launch of OTP's new customer information and billing system.

OTP filed its annual update to the North Dakota TCR rider on August 30, 2019 seeking recovery of approximately \$5.7 million with a proposed effective date of January 1, 2020. The filing included seven new projects, updated costs associated with existing projects, details about the pending MISO ROE complaint, and details about SPP-related expenses. On December 18, 2019 the NDPSC approved the request.

**Environmental Cost Recovery Rider**—OTP has an ECR rider in North Dakota to recover its North Dakota jurisdictional share of the revenue requirements associated with its investment in the Big Stone Plant AQCS and Hoot Lake Plant Mercury and Air Toxic Standards (MATS) projects. The ECR rider has provided for a return on investment at the level approved in OTP's preceding general rate case and for recovery of OTP's North Dakota share of reagent and emission allowance costs.



On March 31, 2017 OTP filed its annual update to the ECR rider requesting a reduction in the rate from 7.904% to 7.633% of base rates, or a revenue requirement reduction from \$10.4 million to \$9.9 million, effective August 1, 2017. The rate reduction request was primarily due to a reduction in the projects' unrecovered costs and lower net book values as a result of depreciation. The filing was approved on July 12, 2017.

In conjunction with OTP's November 2, 2017 general rate case filing, OTP submitted an updated proposal to adjust the ECR rider rate to reflect updated costs and collections and a rate of return and capital structure level consistent with those proposed in the general rate case. The NDPSC approved the update to the ECR rider rate in conjunction with approving the general rate case interim rates. The new ECR rate decreased from 7.633% to 6.629% with an effective date of January 1, 2018. A reset of the ECR rate to reflect the effect of the federal corporate tax rate reduction under the TCJA was approved on February 27, 2018, reducing the ECR rate to 5.593%, effective March 1, 2018.

Based on the order in the 2017 general rate case, project costs previously being recovered under the ECR rider will be recovered in base rates and reagent and emission allowance costs will be recovered through the energy adjustment rider. The rider was zeroed out at the implementation of final rates on February 1, 2019. On October 22, 2019 the NDPSC approved OTP's request to decrease the ECR rate to zero effective November 1, 2019 and to include the final tracker balance in OTP's December 31, 2019 annual update to its North Dakota RRA.

**Generation Cost Recovery Rider**—On May 15, 2019 the NDPSC approved OTP's request to establish an initial GCR rider rate for recovery of OTP's North Dakota jurisdictional share of the revenue requirements on its investment in Astoria Station, effective on bills rendered after July 1, 2019.

## **SOUTH DAKOTA**

Under the South Dakota Public Utilities Act, OTP is subject to the jurisdiction of the SDPUC with respect to rates, public utility services, construction of major utility facilities, establishment of assigned service areas and other matters. Under the South Dakota Energy Facility Permit Act, the SDPUC has the authority to approve sites in South Dakota for large energy conversion facilities (100,000 kW or more) and most transmission lines with a design of 115 kV or more.

**General Rates**—On April 20, 2018 OTP filed a request with the SDPUC to increase non-fuel rates in South Dakota by approximately \$3.3 million annually, or 10.1%, as the first step in a two-step request. Interim rates were effective October 18, 2018. The second step in the request was an additional 1.7% revenue increase to recover costs for Merricourt when the wind generation facility goes into service.

The SDPUC approved a partial settlement on March 1, 2019 on all issues of the rate case except ROE. The partial settlement included approval of a phase-in plan to provide for a return on amounts invested in Astoria Station and Merricourt, which addressed the second step of the request for increased rates in South Dakota. The partial settlement also included a moratorium on filing another general rate case in South Dakota until the new generation projects have been in service for a year. The partial settlement also allowed OTP to retain the impact of lower tax rates related to the TCJA from January 1, 2018 through October 17, 2018 resulting in the reversal of an accrued refund liability and recognition of \$1.0 million in revenue in the first quarter of 2019. The SDPUC approved the ROE portion of the rate case on May 14, 2019. Pursuant to the May 30, 2019 order, OTP's allowed ROE was set at 8.75%, resulting in an annual revenue increase of approximately \$2.2 million prior to the approval of a June 28, 2019 stipulation agreement discussed below. Final rates went into effect August 1, 2019. An interim rate refund for the lower ROE going back to October 18, 2018 was applied to South Dakota customers' October 2019 bills.

On July 9, 2019 the SDPUC approved a stipulation agreement entered into by OTP with SDPUC staff for the purpose of correcting a mistake in OTP's rate base in its 2018 general rate case docket. The revenue requirement stated in the SDPUC's final order dated May 30, 2019 understated the correct amount of OTP's South Dakota share of electric transmission plant in service by approximately \$4.1 million. For South Dakota ratemaking purposes, the understatement resulted in an annual revenue requirement shortfall of approximately \$341,000. To address the shortfall, the parties agreed that OTP would file an update to its South Dakota TCR rider. OTP was authorized full recovery of the transmission rate base correction reflected in the TCR rider tracker beginning as of the first date of interim rates, October 18, 2018, with the TCR rider rate update going into effect on October 1, 2019. The stipulation agreement had the effect of increasing the non-fuel annual revenue increase in the general rate case to approximately \$2.6 million or 7.7%, which is 69% of the adjusted requested annual revenue increase of approximately \$3.7 million or 11.1%.

To ensure rates are appropriately set under the stipulation, the parties agreed to establish an earnings sharing mechanism to share with customers any weather-normalized earnings above the authorized ROE of 8.75%. OTP's annual weather-normalized earnings are reported each year by June 1 in its jurisdictional annual report, which will be used to determine the earnings level for purposes of calculating any refund. The earnings sharing mechanism requires that OTP will refund to customers 50% of any weather-normalized revenue that corresponds to the earnings in excess of its authorized ROE, up to a maximum of 9.50% ROE for a particular year. OTP will refund 100% of any earnings above 9.50% each year. In the event a refund is due under this provision, OTP will notify the SDPUC of the refund amount and plan for crediting customers within 30 days of filing its South Dakota jurisdictional annual report.

**Transmission Cost Recovery Rider**—South Dakota law provides a mechanism for automatic adjustment outside of a general rate proceeding to recover jurisdictional capital and operating costs incurred by a public utility for new or modified electric transmission facilities. OTP has a TCR rider in South Dakota to recover its South Dakota jurisdictional share of the revenue requirements associated with its investment in new or modified electric transmission facilities.

On November 1, 2016 OTP filed the annual update to the South Dakota TCR rider. OTP made a supplemental filing on January 20, 2017 to include updated costs through December 2016 as well as updated forecast information. On February 17, 2017 the SDPUC approved OTP's annual update to its TCR rider, with an effective date of March 1, 2017. On November 1, 2017 OTP filed the annual update to the South Dakota TCR rider with a requested annual revenue requirement of \$1.8 million and effective date of March 1, 2018. A supplemental filing was made on January 29, 2018 to reflect updated costs and collections and incorporate the impact of the federal corporate income tax rate under the TCJA. The updated annual revenue requirement request remained at \$1.8 million and was approved by the SDPUC on February 28, 2018 with an effective date of March 1, 2018. Effective October 18, 2018, with the implementation of interim rates under South Dakota general rate case proceedings, the TCR rate was decreased to reflect an annual revenue requirement of \$1.2 million as a result of certain costs being transitioned to recovery through interim rates and proposed for ongoing recovery in final base rates at the end of the 2018 general rate case.

OTP made a supplemental filing for the South Dakota TCR rider on February 1, 2019. In an order dated February 20, 2019 the SDPUC approved the supplemental filing and rates effective March 1, 2019. Two new projects were approved for recovery under the rider: The Lake Norden area transmission upgrade project with a recovery date effective January 1, 2019 and the Big Stone South—Ellendale project with a recovery date effective January 1, 2020.

On September 17, 2019 the SDPUC approved OTP's supplemental TCR rider filing update request to address the transmission rate base correction disclosed in the 2018 general rate case docket with updated rates effective October 1, 2019.

OTP filed its annual update to the South Dakota TCR rider on October 31, 2019 seeking recovery of \$2.4 million with a proposed effective date of March 1, 2020.

**Environmental Cost Recovery Rider**—OTP has an ECR rider in South Dakota to recover its South Dakota jurisdictional share of the revenue requirements associated with its investment in the Big Stone Plant AQCS and Hoot Lake Plant MATS projects. On August 31, 2017 OTP filed its 2017 update to the ECR rider, requesting recovery of approximately \$2.1 million in annual revenue. The SDPUC approved the request on October 13, 2017 with an effective date of November 1, 2017. Effective October 18, 2018, with the implementation of interim rates under South Dakota general rate case proceedings, the ECR rate was decreased to -\$0.00075/kwh to refund \$0.2 million previously collected under the rider. The ending balance of the South Dakota ECR rider at the conclusion of interim rates was refunded to South Dakota customers along with their October 2019 interim rate refunds.

**Phase-In Rate Plan Rider**—On May 31, 2019 OTP petitioned the SDPUC for approval of its initial rate for the Phase-In Rate Plan Rider as described in OTP's most recent South Dakota general rate case settlement stipulation and approved by the SDPUC's order in that rate case. The petition is OTP's initial filing for the rider to recover, in OTP's South Dakota jurisdiction, actual and forecasted costs for Astoria Station and Merricourt, and forecasted net benefits associated with additional load growth in the Lake Norden area.

On August 21, 2019 the SDPUC approved OTP's supplemental filing for its South Dakota Phase-In Rate Plan Rider effective September 1, 2019.

**Energy Efficiency Plan (EEP)**—The SDPUC has encouraged all investor-owned utilities in South Dakota to be part of an Energy Efficiency Partnership to significantly reduce energy use. The plan is being implemented with program costs, carrying costs and a financial incentive being recovered through an approved rider.

On May 1, 2017 OTP filed its 2016 South Dakota EEP Status Report, financial incentive and surcharge adjustment with the SDPUC. The filing requested approval of an incentive of \$105,900 and an increase in the EEP surcharge from \$0.00114/kwh to \$0.00138/kwh effective July 1, 2017. The SDPUC approved the request on June 21, 2017.

On May 1, 2018 OTP filed its 2017 South Dakota EEP Status Report, financial incentive, and surcharge adjustment with the SDPUC. The filing requested approval of an incentive of \$134,700 and an increase in the EEP surcharge from \$0.00138/kwh to \$0.00155/kwh effective July 1, 2018. The SDPUC approved the request on June 26, 2018. On September 21, 2018 OTP filed a modification to its 2016-2019 EEP Plan. This modification requested an additional \$250,000 annually for three years starting in 2019. The increased budget was requested to pay additional rebates for a large customer that is planning to make significant energy efficiency investments in its expanding facilities. On December 11, 2018, the SDPUC approved the request.

On May 1, 2019 OTP filed its 2018 South Dakota EEP Status Report, financial incentive and surcharge adjustment with the SDPUC. The filing requested approval of an incentive of \$134,700 and an increase in the EEP surcharge to \$0.00164/kwh effective July 1, 2019. The SDPUC approved the request on June 13, 2019. By May 1, 2020 OTP plans to file its 2019 South Dakota EEP Status Report, financial incentive and surcharge adjustment with the SDPUC. The filing will request approval of an incentive of \$209,700 and an update of the EEP surcharge with a July 1, 2020 effective date.

## FERC

Wholesale power sales and transmission rates are subject to the jurisdiction of the FERC under the Federal Power Act. The FERC is an independent agency with jurisdiction over rates for wholesale electricity sales, transmission and sale of electric energy in interstate commerce, interconnection of facilities, and accounting policies and practices. Filed rates are effective after a suspension period, subject to ultimate approval by the FERC.

**MVPs**—On December 16, 2010 the FERC approved the cost allocation for a new classification of projects in the MISO region called MVPs. MVPs are designed to enable the region to comply with energy policy mandates and to address reliability and economic issues affecting multiple transmission zones within the MISO region. The cost allocation is designed to ensure that the costs of transmission projects with regional benefits are properly assigned to those who benefit. On October 20, 2011 the FERC reaffirmed the MVP cost allocation on rehearing.

Effective January 1, 2012 the FERC authorized OTP to recover 100% of prudently incurred CWIP and Abandoned Plant Recovery on two projects approved by MISO as MVPs in MISO's 2011 Transmission Expansion Plan: the Big Stone South-Brookings MVP and the Big Stone South-Ellendale MVP.

**Transmission Tariff ROE Complaints**—On November 12, 2013 a group of industrial customers and other stakeholders filed a complaint with the FERC seeking to reduce the ROE component of the transmission rates that MISO transmission owners, including OTP, may collect under the MISO Tariff. The complainants sought to reduce the 12.38% ROE used in MISO's transmission rates to a proposed 9.15%. The complaint established a 15-month refund period from November 12, 2013 to February 11, 2015. A non-binding decision by the presiding Administrative Law Judge (ALJ) was issued on December 22, 2015 finding that the MISO transmission owners' ROE should be 10.32%, and the FERC issued an order on September 28, 2016 setting the base ROE at 10.32%. Several parties requested rehearing of the September 2016 order.

On November 6, 2014 a group of MISO transmission owners, including OTP, filed for a FERC incentive of an additional 50 basis points for Regional Transmission Organization participation (RTO Adder). On January 5, 2015 the FERC granted the request, deferring collection of the RTO Adder until the FERC issued its order in the ROE complaint proceeding. Based on the FERC adjustment to the MISO Tariff ROE resulting from the November 12, 2013 complaint and OTP's incentive rate filing, OTP's ROE went to 10.82% (a 10.32% base ROE plus the 0.5% RTO Adder) effective September 28, 2016.

On February 12, 2015 another group of stakeholders filed a complaint with the FERC seeking to reduce the ROE component of the transmission rates that MISO transmission owners, including OTP, may collect under the MISO Tariff from 12.38% to a proposed 8.67%. This second complaint established a second 15-month refund period from February 12, 2015 to May 11, 2016. The FERC issued an order on June 18, 2015 setting the complaint for hearings before an ALJ, which were held the week of February 16, 2016. A non-binding decision by the presiding ALJ was issued on June 30, 2016 finding that the MISO transmission owners' ROE should be 9.7%.

Based on the probable reduction by the FERC in the ROE component of the MISO Tariff, OTP had a \$2.7 million liability on its balance sheet as of December 31, 2016, representing OTP's best estimate of the refund obligations that would arise, net of amounts that would be subject to recovery under state jurisdictional TCR riders, based on a reduced ROE. MISO processed the refund for the FERC-ordered reduction in the MISO Tariff allowed ROE for the first 15-month refund period in its February and June 2017 billings. The refund, in combination with a decision in the 2016 Minnesota general rate case that affected the Minnesota TCR

rider, resulted in a reduction in OTP's accrued MISO Tariff ROE refund liability from \$2.7 million on December 31, 2016 to \$1.6 million as of September 30, 2019.

On March 1, 2019 the FERC issued a Notice of Inquiry (NOI) seeking comment on whether, and if so how, it should modify its policies concerning the determination of the ROE used in designing jurisdictional rates charged by public utilities. For years, the FERC has utilized a particular two-step, analysis to establish ROEs for utilities and natural gas interstate pipelines. The NOI sought comments on whether it should develop ROEs using a different financial model. The NOI also sought comments, among other things, on the continued use of RTO Adders.

On November 21, 2019 the FERC adopted a different two-step ROE model and capital asset pricing model to determine whether a jurisdictional public utility's rate of ROE is just and reasonable under section 206 of the Federal Power Act. Applying the new methodology in complaints against the MISO transmission owners, the FERC determined that the MISO transmission owners' current base ROE should be 9.88%. The FERC also stated it will use ranges of presumptively just and reasonable ROEs in its analysis of whether existing ROEs have become unjust and unreasonable. This order also implemented the FERC's revised methodology in the two complaints against the MISO transmission owners' base ROE. The order granted rehearing on the first complaint, found the existing 12.38% ROE unjust and unreasonable, and directed the MISO transmission owners to adopt a 9.88% ROE effective September 28, 2016, and to provide refunds. The order also dismissed the second complaint and found the record in that proceeding did not support a finding that the 9.88% ROE established in the first complaint proceeding had become unjust and unreasonable.

As a result of the FERC granting rehearing on the first complaint and finding the existing 12.38% ROE unjust and unreasonable and directing the MISO transmission owners to adopt a 9.88% ROE, OTP increased its total refund provision related to the ROE complaints from \$1.6 million to \$3.0 million as of December 31, 2019. The \$3.0 million includes provisions for:

- ▶ an additional \$0.2 million refund related to the first complaint as a result of reducing the reasonable ROE from 10.32%, established in the FERC's September 28, 2016 refund order, to the newly established 9.88% ROE,
- ▶ a \$1.3 million refund for the period from September 28, 2016 through December 31, 2019 related to a reduction in the current ROE from 10.82% to 10.38% based on the newly established 9.88% reasonable ROE for the first complaint period plus the 50-point RTO adder granted by the FERC on January 5, 2015, and
- ▶ a \$1.5 million refund related to the second complaint period in response to requests for rehearing on the FERC's decision to dismiss the second complaint based on a potential reduction in the reasonable ROE for that period from 12.38% to 9.88% plus the 50-point RTO adder.

In response to the FERC's November 21, 2019 order, the MISO Transmission Owners (including OTP) and others filed requests seeking rehearing of the FERC's November 21, 2019 order, and a group of parties filed with the U.S. Court of Appeals for the District of Columbia (D.C. Circuit) a protective appeal.

#### **NAEMA**

OTP is a member of the North American Energy Marketers Association (NAEMA) which is an independent, non-profit trade association representing entities involved in the marketing of energy or in providing services to the energy industry. NAEMA has over 150 members with operations in 48 states and Canada. Power pool sales are conducted continuously through NAEMA in accordance with schedules filed by NAEMA with the FERC.

#### **NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION (NERC)**

NERC has regulatory authority spanning the United States, Canada and the northern portion of Baja California, Mexico, and is subject to oversight by the FERC and governmental authorities in Canada. NERC's mission is to assure the reliability of the bulk power system in North America. As an owner and operator within the bulk power system, OTP is required to comply with NERC reliability standards, including standards on cybersecurity and protection of critical infrastructure.

#### **MIDWEST RELIABILITY ORGANIZATION (MRO)**

OTP is a member of the MRO. The MRO is a non-profit organization dedicated to ensuring the reliability and security of the bulk power system in the north central region of North America, including parts of both the United States and Canada. MRO began operations in 2005 and is one of eight regional entities in North America operating under authority from regulators in the United States and Canada through a delegation agreement with the NERC. The MRO is responsible for: (1) developing and implementing reliability standards, (2) enforcing compliance with those standards, (3) providing seasonal and long-term assessments of the bulk power system's ability to meet demand for electricity, and (4) providing an appeals and dispute resolution process.

The MRO region covers roughly one million square miles spanning the provinces of Saskatchewan and Manitoba, the states of North Dakota, Minnesota, Nebraska and the majority of territory in the states of South Dakota, Iowa and Wisconsin. The region includes more than 130 organizations that are involved in the production and delivery of power to more than 20 million people. These organizations include municipal utilities, cooperatives, investor-owned utilities, a federal power marketing agency, Canadian Crown Corporations, independent power producers and others who have interests in the reliability of the bulk power system.

To ensure our compliance with NERC standards, the MRO periodically audits OTP. MRO's 2019 audit of OTP has concluded without any material findings.

#### **MISO**

OTP is a member of the MISO. The MISO operates the transmission facilities owned by others and administers energy and generation capacity markets. As the transmission provider and security coordinator for the region, the MISO seeks to optimize the efficiency of the interconnected system, provide solutions to regional planning needs and minimize risk to reliability through its security coordination, long-term regional planning, market monitoring, scheduling and tariff administration functions. The MISO covers a broad region including all or parts of 15 states and the Canadian province of Manitoba. The MISO has operational control of OTP's transmission facilities above 100 kV, but OTP continues to own and maintain its transmission assets.

Through the MISO day-ahead and real-time energy markets, MISO seeks to develop options for energy supply, increase utilization of transmission assets, optimize the use of energy resources across a wider region and provide greater visibility of data. The MISO aims to facilitate a more cost-effective and efficient use of the wholesale bulk electric system.

The MISO Ancillary Services Market (ASM) facilitates the provision of Regulation, Spinning Reserve and Supplemental Reserves. The ASM integrates the procurement and use of regulation and contingency reserves with the existing Energy Market. OTP has actively participated in the market since its commencement.

OTP has been involved in a MISO process re-establishing the right of transmission owners to elect the initial funding of electric transmission projects required to support the interconnection of the generator's project to the MISO transmission system. In 2018 the D.C. Circuit vacated earlier FERC orders limiting transmission owners' initial funding of

transmission upgrade projects required by generator interconnections. As a result, the MISO Tariff and related agreements establish once again that MISO transmission owners have the option to initially fund the construction of certain qualifying interconnection-related transmission upgrades, sometimes referred to as the “self-fund option” or “self-fund.” Thus, under the self-fund option, the Company, as a MISO transmission owner, can invest the initial capital for such qualifying upgrades and earn a return on and of the capital investment from interconnection customers over the period of the applicable service agreements.

## OTHER

OTP is subject to various federal laws, including the Public Utility Regulatory Policies Act of 1978 and the Energy Policy Act of 1992 (which are intended to promote the conservation of energy and the development and use of alternative energy sources) and the Energy Policy Act of 2005.

## COMPETITION, DEREGULATION AND LEGISLATION

Electric sales are subject to competition in some areas from municipally owned systems, rural electric cooperatives and, in certain respects, from on-site generators and cogenerators. Electricity also competes with other forms of energy. The degree of competition may vary from time to time depending on relative costs and supplies of other forms of energy.

The Company believes OTP is well positioned to be successful in a competitive environment. A comparison of OTP's electric retail rates to the rates of other investor-owned utilities, cooperatives and municipals in the states OTP serves indicates OTP's rates are competitive.

Legislative and regulatory activity could affect operations in the future. OTP cannot predict the timing or substance of any future legislation or regulation. The Company does not expect retail competition to come to the states of Minnesota, North Dakota or South Dakota in the foreseeable future. There has been no legislative action regarding electric retail choice in any of the states where OTP operates. The Minnesota legislature has in the past considered legislation that, if passed, would have limited the Company's ability to maintain and grow its nonelectric businesses.

OTP is currently participating in a Distributed Generation (DG) Workgroup in Minnesota in a docket established by the MPUC. Distributed energy resources are utility- or customer-owned resources on the distribution grid that can include combined heat and power, solar photovoltaic, wind, battery storage, thermal storage, and demand-response technologies. DG is the generation of electricity on-site or close to where it is needed in small facilities designed to meet local needs. Advances in technology and economics are contributing to increasing interest in DG in Minnesota and consumer requests for DG will likely grow. OTP is working to accurately identify and quantify the impacts (including costs and values) of DG; this can be difficult because the impacts of DG vary geographically and over time.

In 2011 the FERC required some electric transmission providers, including the MISO, to remove from their tariffs a federal right of first refusal to construct transmission facilities selected in a regional transmission plan for purposes of cost allocation. However, state laws allowing rights of first refusal to construct electric transmission infrastructure still exist in Minnesota, North Dakota and South Dakota.

OTP and other Minnesota electric transmission owners (collectively, Amici Utilities) are involved in a federal lawsuit and subsequent 8th Circuit appeal filed by LSP Transmission Holdings, LLC (LSP) challenging a Minnesota statute granting incumbent electric transmission owners a right of first refusal to construct new transmission facilities connected to existing facilities. LSP has argued that the Minnesota law violates the dormant Commerce Clause of the U.S. Constitution. A federal district court rejected that argument, and LSP appealed. The Amici Utilities support the Minnesota right of first refusal law as a reasoned policy judgment by the State of Minnesota and thus not subject to challenge

under the dormant Commerce Clause. The appeal has been briefed and oral arguments heard, with a decision expected in early 2020.

OTP is unable to predict the impact on its operations resulting from future regulatory activities, from future legislation or from future taxes that may be imposed on the source or use of energy.

## ENVIRONMENTAL REGULATION

**Impact of Environmental Laws**—OTP's existing generating plants are subject to stringent federal and state standards and regulations regarding, among other things, air, water and solid waste pollution. In the five years ended December 31, 2019 OTP invested approximately \$39.5 million in environmental control facilities. The 2020 and 2021 construction budgets include approximately \$0.4 million and \$1.2 million, respectively, for environmental equipment for existing facilities. Additional expenditures may be required depending on the outcome of various environmental regulations currently under consideration for implementation, and such expenditures could be material.

**Air Quality—Criteria Pollutants**—Pursuant to the Clean Air Act (CAA), the EPA has promulgated national primary and secondary standards for certain air pollutants.

The primary fuels burned by OTP's steam generating plants are North Dakota lignite coal and western subbituminous coal. Hoot Lake Plant, Big Stone Plant, and Coyote Station are currently operating within all presently applicable federal and state air quality and emission standards.

The CAA, in addressing acid deposition, imposed requirements on power plants in an effort to reduce national emissions of sulfur dioxide (SO<sub>2</sub>) and nitrogen oxides (NO<sub>x</sub>).

The national Acid Rain Program SO<sub>2</sub> emission reduction goals are achieved through a market-based system under which power plants are allocated “emissions allowances” that require plants to either reduce their SO<sub>2</sub> emissions or acquire allowances from others to achieve compliance. Each allowance is an authorization to emit one ton of SO<sub>2</sub>. SO<sub>2</sub> emission requirements are currently being met by all of OTP's generating facilities without the need to acquire additional allowances for compliance.

The national Acid Rain Program NO<sub>x</sub> emission reduction goals are achieved by imposing mandatory emissions standards on individual sources. All of OTP's generating facilities met the NO<sub>x</sub> standards during 2019.

The Cross-State Air Pollution Rule (CSAPR) requires SO<sub>2</sub> and NO<sub>x</sub> emission reductions in primarily eastern states in order to allow downwind states to achieve national ambient air quality standards (NAAQS). CSAPR's Phase 1 emission budgets began on January 1, 2015 for the annual SO<sub>2</sub> and NO<sub>x</sub> programs, with stricter Phase 2 budgets beginning in 2017.

The CSAPR rule applies to OTP's Solway gas peaking plant and the Hoot Lake coal-fired plant in Minnesota. Minnesota is considered a Group 2 state for SO<sub>2</sub> compliance. Any SO<sub>2</sub> allowances that need to be obtained for Hoot Lake Plant will need to be from an entity in a Group 2 state. Hoot Lake met the CSAPR requirements in 2019 without acquiring additional allowances.

On September 7, 2016 the EPA finalized a CSAPR update to address interstate emission transport with respect to the more recent 2008 ozone NAAQS. The CSAPR update on interstate emission transport does not apply to Minnesota, North Dakota and South Dakota.

On October 1, 2015 the EPA announced that it tightened the primary and secondary NAAQS for ozone from 75 parts per billion (ppb) to 70 ppb. On November 16, 2017 the EPA issued a final rule determining that all of the areas in the states in which OTP operates will be designated as attainment/unclassifiable.

In June 2010, the EPA established a new primary NAAQS for SO<sub>2</sub> at a level of 75 ppb on a 1-hour average. On June 30, 2016, the EPA signed



a final rule that designated the areas around Big Stone Plant and Coyote Station as being in attainment/unclassifiable with the 1-hour SO<sub>2</sub> NAAQS. Based on modeling, in January 2018, the EPA published a final determination of attainment/unclassifiable for the county in which Hoot Lake Plant is located.

**Air Quality—Hazardous Air Pollutants—**On December 16, 2011 the EPA signed a final rule to reduce mercury and other air toxics emissions from power plants known as the MATS rule. With the installation of new pollution control equipment in 2015, OTP's affected units are meeting current requirements. Emissions monitoring equipment and/or stack testing is being used to verify compliance with the standards. On December 28, 2018 the EPA issued a proposed rule that provides that it is not "appropriate and necessary" to regulate hazardous air pollutants from power plants; however, the EPA declined to propose rescission or repeal of MATS. The proposed rule also addresses the CAA requirement to conduct a risk and technology review for power plants, which concludes no revisions to MATS are warranted.

**Air Quality—EPA New Source Review Enforcement Initiative—**In 1998 the EPA announced its New Source Review Enforcement Initiative targeting coal-fired power plants, petroleum refineries, pulp and paper mills and other industries for alleged violations of the EPA's New Source Review rules. These rules require owners or operators that construct new major sources or make major modifications to existing sources to obtain permits and install air pollution control equipment at affected facilities. Pursuant to the Initiative, the EPA has attempted to determine if emission sources violated certain provisions of the CAA by making major modifications to their facilities without installing state-of-the-art pollution controls. OTP has not received any recent requests from the EPA, pursuant to Section 114(a) of the CAA, to provide information relative to past operation and capital construction projects at its coal-fired plants.

**Air Quality—Regional Haze Program—**The CAA establishes a national visibility goal to prevent any future, and remedy any existing, anthropogenic visibility impairment in Class I air quality areas. The EPA's RHR, as adopted in 1999 and revised most recently on January 10, 2017, implements the CAA's visibility protection provisions. The RHR requires states to determine the consistent rate of progress over time necessary to attain natural visibility conditions on the twenty percent most anthropogenically impaired days by the year 2064. The first RHR implementation period covered the years 2008-2018 (Round 1) and focused on applying Best Available Retrofit Technology (BART) to certain large stationary sources that were in existence on August 7, 1977 but were not in operation before August 7, 1962. Big Stone Plant was determined to be subject to BART, and therefore was required to install Selective Catalytic Reduction and separated over-fire air to reduce NO<sub>x</sub> emissions, dry flue gas desulfurization to reduce SO<sub>2</sub> emissions, and a new baghouse for particulate matter control. The Big Stone Plant compliant AQCS equipment was placed into commercial operation on December 29, 2015. Coyote Station is not a BART-eligible source but was ultimately required to install separated over-fire air to reduce NO<sub>x</sub> emissions as a reasonable progress source.

The second RHR implementation period will cover the years 2018-2028 (Round 2), with state implementation plans (SIPs) due to be submitted to the EPA by July 31, 2021 and an anticipated compliance date on or before December 31, 2028. For Round 2, states are required to assess reasonable progress with the RHR and determine what additional emission reductions are appropriate. As part of this assessment, the NDDEQ requested that Coyote Station provide an analysis of technically feasible SO<sub>2</sub> and NO<sub>x</sub> emissions control options, which OTP provided in January 2019.

On August 20, 2019 the EPA released a guidance document to assist states with preparation of Round 2 SIPs. The guidance describes eight steps for states to follow, including a step which involves decisions on which emissions control measures are necessary to make reasonable progress. The guidance stresses that a state should generally make control decisions that are reasonably consistent among and across sources within the state.

OTP understands the NDDEQ intends to require sources subject to Round 2 reasonable progress determinations, including Coyote Station, to undertake emissions control measures that are reasonably consistent with those required of sources during Round 1. While this process is still in the early stages, if the NDDEQ maintains its initial position, OTP anticipates that significant emissions controls would be required at Coyote Station by December 31, 2028 in order to maintain compliance with the RHR. In light of the costs for such emissions control equipment, there are scenarios where it may not be economically feasible to invest in such equipment and an early retirement of the Coyote Station would therefore be necessary. OTP and the other three co-owners of Coyote Station have been evaluating, and will continue to evaluate, alternative scenarios for the future of Coyote Station as the process with the NDDEQ and other stakeholders evolves. This process could take several years to finalize. The costs related to an early retirement of Coyote Station would be material to OTP and the Company and would be subject to state commission approval for recovery from customers. See note 1 to our consolidated financial statements included in this report on Form 10-K for additional information on Coyote Station.

In order to meet the July 31, 2021 SIP submittal deadline, the NDDEQ has indicated that it will begin drafting a SIP in mid-2020 and provide preliminary control scenarios to the Western Regional Air Partnership in the first quarter of 2020 (for purposes of regional visibility modeling). The NDDEQ expects to provide a proposed SIP for public comment in the first or second quarter of 2021.

As discussed above, OTP was required by the MPUC to model a scenario in which Coyote Station is retired in 2028.

**Air Quality—Greenhouse Gas (GHG) Regulation—**Combustion of fossil fuels for the generation of electricity is a considerable stationary source of CO<sub>2</sub> emissions in the United States and globally. OTP is an owner or part-owner of three baseload, coal-fired electricity generating plants and three fuel-oil or natural gas-fired combustion turbine peaking plants with a combined net dependable capacity of 650 MW. In 2019 these plants emitted approximately 3.0 million (short) tons of CO<sub>2</sub>.

In April 2007, the U.S. Supreme Court issued a decision that determined that the EPA has authority to regulate CO<sub>2</sub> and other GHGs from automobiles as "air pollutants" under the CAA. The EPA thereafter conducted a rulemaking to determine whether GHG emissions contribute to climate change "which may reasonably be anticipated to endanger public health or welfare." While this case addressed a provision of the CAA related to emissions from motor vehicles, a parallel provision of the CAA applies to stationary sources such as electric generators. The EPA determined the parallel provision would be automatically triggered once the EPA began regulating motor vehicle GHG emissions. The first step in the EPA rulemaking process was the publication of an endangerment finding in the December 15, 2009 Federal Register where the EPA found that CO<sub>2</sub> and five other GHGs—methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulfur hexafluoride (SF<sub>6</sub>) threaten public health and the environment.

The EPA's endangerment finding for GHGs did not in and of itself impose any emission reduction requirements but rather authorized the EPA to finalize the GHG standards for new light-duty vehicles as part of the joint rulemaking with the Department of Transportation. These standards applied to motor vehicles as of January 2011, which the EPA determined made GHGs "subject to regulation" under the CAA.

According to the EPA, this triggered the Prevention of Significant Deterioration (PSD) and Title V operating permits programs for stationary sources of GHGs. OTP does not anticipate making modifications that would trigger PSD requirements at any of its facilities or undertaking construction of a new unit that might trigger PSD.

The EPA has developed New Source Performance Standards (NSPS) for GHGs from new and existing fossil fuel-fired electric generating units. On October 23, 2015 the EPA published NSPS under section 111(b) of the CAA that require certain new units (as well as modified and reconstructed units) to meet CO<sub>2</sub> emission standards. New natural gas combustion turbines are required to meet a standard of 1,000 lbs. of CO<sub>2</sub> per gross megawatt hour averaged over a 12-month period if they meet the definition of a baseload unit. New natural gas combined cycle units are anticipated to fit into this category. Simple cycle combustion turbines are regulated in a non-baseload category that is required to meet a heat input-based standard that can be met by burning cleaner fuels such as natural gas. On December 20, 2018 the EPA proposed revisions to the 2015 NSPS; however, the revisions would only impact the standards for new, reconstructed, and modified coal or coal-refuse steam generating units. No changes are being proposed to the NSPS for natural gas combustion turbines.

GHG performance standards for existing sources are being developed under CAA Section 111(d) (111(d) Standard). A 111(d) Standard, unlike those set under CAA Section 111(b), applies to existing sources of a pollutant. Under Section 111(d), the EPA promulgates emission guidelines and the states are then given a period of time to develop plans to implement the standard. The EPA reviews each state-developed standard and then approves it if the state's plan comports with the federal emission guidelines. If the state does not submit a plan or the EPA finds that the plan is inadequate, the EPA will prescribe a plan for that state.

The final ACE Rule under CAA Section 111(d) went into effect on September 6, 2019. The rule establishes guidelines for states to use in developing plans to address GHG emissions from existing coal fired power plants. Notably, the final rule establishes heat rate improvements as the best system of emissions reductions for reducing carbon dioxide emissions. Heat rate is a measure of the amount of energy required to generate a unit of electricity. States will establish unit-specific standards of performance that reflect the emission limitation achievable through certain candidate heat-rate improvement technologies. Simultaneously with the final ACE Rule, the EPA took action to repeal the Clean Power Plan, and the EPA also finalized revisions to the timing and content requirements of Section 111(d) state implementation plan submissions. The final ACE Rule does not include any final action regarding New Source Review. States now have until mid-2022 to submit a state implementation plan. Several petitioners have filed challenges to the rule in the D.C. Circuit. On November 22, 2019 the court denied the EPA's request for expedited review and petitioners' requests to hold the case in abeyance, pending administrative reconsideration of the ACE Rule.

Several states and regional organizations have or will develop state-specific or regional legislative initiatives to reduce GHG emissions through mandatory programs. In 2007 the state of Minnesota passed legislation regarding renewable energy portfolio standards that requires retail electricity providers to obtain 25% of the electric energy sold to Minnesota customers from renewable sources by the year 2025. Additionally, in 2013 the state of Minnesota passed a provision that requires public utilities to generate or procure sufficient electricity generated by solar energy to serve its retail electricity customers in Minnesota so that by the end of 2020, at least 1.5% of the utility's total retail electric sales to retail customers in Minnesota is generated by solar energy. The Minnesota legislature set a January 1, 2008 deadline for the MPUC to establish an estimate of the likely range of costs of future CO<sub>2</sub> regulation on electricity generation. The legislation also set state targets for reducing fossil fuel use, included goals for reducing

the state's output of GHGs, and restricted importing electricity that would contribute to statewide power sector CO<sub>2</sub> emission. The MPUC, in its order dated December 21, 2007, established an estimate of future CO<sub>2</sub> regulation costs at between \$4.00 per ton and \$30.00 per ton emitted in 2012 and after. Annual updates of the range are required. For 2018 and 2019 the range is \$5 to \$25 per ton, and the applicable effective date to begin using CO<sub>2</sub> costs in resource planning decisions is 2025. Both the range of costs and the effective date are currently under review by the MPUC. A decision is expected by March 31, 2020. It is likely that both the range of costs and the effective date will remain the same for 2020-2021.

In 2013, Minnesota opened a new docket to investigate the environmental and socioeconomic costs of externalities associated with electricity generation. This docket studied the impact of CO<sub>2</sub> and certain criteria pollutants. The costs are updated periodically. The most recent order was issued on January 3, 2018. The environmental cost values for CO<sub>2</sub> range from a low of \$8.44 per ton and a high of \$39.76 per ton in 2017 to a low of \$15.20 per ton and a high of \$69.48 per ton in 2050. Low, medium, and high values were also set for various criteria pollutants for rural, metropolitan fringe, and urban areas in the state.

The states of North Dakota and South Dakota currently have no proposed or pending legislation related to the regulation of GHG emissions, but North Dakota and South Dakota have 10% renewable energy objectives. OTP currently has sufficient renewable generation to meet the renewable energy objectives in both North Dakota and South Dakota.

While the eventual outcome of GHG regulation is unknown, OTP is taking steps to reduce its carbon footprint and mitigate levels of CO<sub>2</sub> emitted in the process of generating electricity for its customers through the following initiatives:

- ▶ Supply efficiency and reliability: Since 2005, SO<sub>2</sub>, NO<sub>x</sub> and mercury emitted from OTP's fossil fuel-fired plants have decreased 61%, 78% and 29%, respectively. OTP's efforts to increase plant efficiency and add renewable energy to its resource mix have reduced its CO<sub>2</sub> intensity. Between 2005 and 2019 OTP decreased its overall system average CO<sub>2</sub> emissions intensity by approximately 24%. Further reductions are expected with the planned addition of Merricourt and replacement of Hoot Lake Plant generation with the Astoria Station natural gas-fired generation plant.
- ▶ Conservation: Since 1992 OTP has helped its customers conserve more than 4.7 million cumulative megawatt-hours of electricity, which is roughly equivalent to the amount of electricity that 398,500 average homes would use in a year and represents approximately 389% of the annual energy sales of OTP's entire residential customer base.
- ▶ Renewable energy: Since 2002, OTP's customers have been able to purchase 100% of their electricity from wind generation through OTP's Tail Winds program. OTP has access to 102.9 MW of wind powered generation under power purchase agreements and owns 138 MW of wind powered generation. Minnesota's legislative mandate requires investor-owned utilities to serve 1.5% of their Minnesota retail electric sales with solar power by 2020. OTP has purchased sufficient SRECs to meet 100% of its 2020 obligation and approximately 70% of its 2021 obligation. OTP is exploring options for constructing a solar project to meet its continuing obligation after 2021.
- ▶ Other: OTP is a participating member of the EPA's SF<sub>6</sub> Emission Reduction Partnership for Electric Power Systems program, which proactively is targeting a reduction in emissions of SF<sub>6</sub>, a potent GHG. SF<sub>6</sub> has a global-warming potential 23,900 times that of CO<sub>2</sub>. OTP participates in carbon sequestration research through the Plains CO<sub>2</sub> Reduction Partnership through the University of North Dakota's Energy and Environmental Research Center. This Partnership is a collaborative effort of approximately 100 public and private sector



stakeholders working toward a better understanding of the technical and economic feasibility of capturing and storing anthropogenic CO<sub>2</sub> emissions from stationary sources in central North America.

While the future financial impact of any proposed or pending litigation or regulation of GHG or other emissions is unknown at this time, any capital and operating costs incurred for additional pollution control equipment or emission reduction measures, such as the cost of sequestration or purchasing allowances, or offset credits, or the imposition of a carbon tax or cap and trade program at the state or federal level could materially adversely affect the Company's future results of operations, cash flows, and possibly financial condition, unless such costs could be recovered through regulated rates and/or future market prices for energy.

**Water Quality**—The Federal Water Pollution Control Act Amendments of 1972, now known as the Clean Water Act, and amendments thereto, provide for, among other things, the imposition of effluent limitations to regulate discharges of pollutants, including thermal discharges, into the waters of the United States, and the EPA has established effluent guidelines for the steam electric power generating industry. Discharges must also comply with state water quality standards.

Effluent limits specific to Hoot Lake Plant and Coyote Station are incorporated into their National Pollutant Discharge Elimination System (NPDES) permits. Big Stone Plant is a zero-discharge facility and therefore does not have a NPDES permit. On November 3, 2015 the EPA published the final rule that sets technology-based effluent limitations on certain types of discharges. Generally, the final rule establishes new requirements for wastewater streams from wet flue gas desulfurization, fly ash transport, and bottom ash transport. Although the EPA is currently reconsidering portions of the 2015 rule, OTP's facilities either utilize dry ash handling or use transport water in a closed loop manner. Therefore, OTP anticipates minimal impact from the rule.

On May 9, 2014 the EPA Administrator signed a final rule implementing Section 316(b) of the Clean Water Act establishing standards for cooling water intake structures for certain existing facilities. The final rule includes seven compliance options, plus a potential "*de minimis*" option that is not well defined. Although the impact of the Hoot Lake Plant intake structure has been extensively evaluated in two separate studies both of which showed minimal impact, OTP will need to have state agency discussions during the renewal of the Hoot Lake Plant NPDES permit to determine the appropriate path forward. Coyote Station's NPDES permit was renewed in 2018 with minimal impact since Coyote Station already uses closed-cycle cooling. OTP has all federal and state water permits presently necessary for the operation of the Coyote Station, the Big Stone Plant and the Hoot Lake Plant.

OTP owns five small dams on the Otter Tail River, which are subject to FERC licensing requirements. A license for all five dams was issued on December 5, 1991. In June 2015 OTP notified the FERC of its intent to relicense these dams. The current FERC license expires in 2021 and the licensing process takes approximately 5 years. The FERC completed the scoping meeting in the fall of 2016 and issued a study plan determination in April 2017. OTP completed the first round of studies in 2017 and a second round in 2018. These studies were followed by the filing of the license application in November 2019. OTP expects the FERC to issue an order on the license application in 2021. Total nameplate rating (manufacturer's expected output) of the five dams is 3,250 kW.

**Solid Waste**—Permits for disposal of ash and other solid wastes have been issued for the Coyote Station, the Big Stone Plant and the Hoot Lake Plant.

On December 19, 2014 the EPA announced a final rule regulating coal combustion residuals (CCR) under the Resource Conservation and Recovery Act regulating the disposal of coal ash generated from the

combustion of coal by electric utilities under Subtitle D's nonhazardous provisions. The rule has required OTP to complete certain actions, such as installing additional groundwater monitoring wells and investigating whether existing surface impoundments should be retired or retrofitted with liners. The Big Stone Plant surface impoundment was closed by removing all CCR material and replaced with new ash handling technology in 2018. A similar project was completed at Coyote Station in 2019.

Existing landfill cells can continue to operate as designed, but future expansions may require composite liner and leachate collection systems. On December 20, 2016 the Water Infrastructure Improvements for the Nation (WIIN) Act was signed into law. The WIIN Act allows states to regulate CCR if the state standards are at least as protective as the EPA CCR Rule. North Dakota has begun a process to incorporate the CCR rule.

At the request of the Minnesota Pollution Control Agency (MPCA), OTP had an ongoing investigation at its former, closed Hoot Lake Plant ash disposal sites. The MPCA continues to monitor site activities under its Voluntary Investigation and Cleanup Program. OTP completed projects from 2014 through 2017 that removed the ash in its entirety from all four Voluntary Investigation and Cleanup Program areas and placed it in OTP's permitted disposal area.

In 1980 the United States enacted the Comprehensive Environmental Response, Compensation and Liability Act, commonly known as CERCLA or the Federal Superfund law, which was reauthorized and amended in 1986. In 1983 Minnesota adopted the Minnesota Environmental Response and Liability Act, commonly known as the Minnesota Superfund law. In 1988 South Dakota enacted the Regulated Substance Discharges Act, commonly known as the South Dakota Superfund law. In 1989, North Dakota enacted the Environmental Emergency Cost Recovery Act. Among other requirements, the federal and state acts establish environmental response funds to pay for remedial actions associated with the release or threatened release of certain regulated substances into the environment. These federal and state Superfund laws also establish liability for cleanup costs and damage to the environment resulting from such release or threatened release of regulated substances. The Minnesota Superfund law also creates liability for personal injury and economic loss under certain circumstances. OTP has not incurred any significant costs to date related to these laws. OTP is not presently named as a potentially responsible party under the federal or state Superfund laws.

## CAPITAL EXPENDITURES

In order to meet customer needs, OTP is continually expanding, replacing and improving its electric facilities. During 2019 approximately \$187 million in cash was invested for additions and replacements to its electric utility properties. During the five years ended December 31, 2019 gross electric property additions, including CWIP, were approximately \$700 million and gross retirements were approximately \$93 million. OTP estimates that during the five-year period 2020-2024 it will invest approximately \$897 million for electric construction, including:

- ▶ \$260 million for renewable wind and solar energy generation and conservation, including Merricourt, scheduled for completion in 2020, the exercise of a purchase option to transfer the Ashtabula III wind farm to OTP in 2022, an investment in solar generation in 2023, and routine wind-power replacement projects.
- ▶ \$169 million for numerous potential technology and infrastructure projects to transform future operations, including automated metering, telecommunications, geographic information systems, work and asset management systems, financial information systems, system infrastructure reliability improvements, outage management systems, and storage projects.
- ▶ \$134 million for routine distribution plant replacement projects.
- ▶ \$117 million for transmission assets including new construction and routine replacement projects.
- ▶ \$99 million for the Astoria Station natural gas-fired generation plant to replace Hoot Lake Plant capacity.

The remaining \$118 million of the 2020-2024 anticipated capital expenditures is for asset replacements, additions and improvements to OTP's other generation and general plant. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Capital Requirements" section for further discussion.

## FRANCHISES

At December 31, 2019 OTP had franchises to operate as an electric utility in substantially all of the incorporated municipalities it serves. All franchises are nonexclusive and generally were obtained for 20-year terms, with varying expiration dates. No franchises are required to serve unincorporated communities in any of the three states that OTP serves. OTP believes that its franchises will be renewed prior to expiration.

## EMPLOYEES

At December 31, 2019 OTP had 654 equivalent full-time employees. A total of 384 OTP employees are represented by local unions of the International Brotherhood of Electrical Workers under two separate contracts expiring on August 31, 2020 and October 31, 2020. OTP has not experienced any strike, work stoppage or strike vote, and considers its present relations with employees to be good.

## MANUFACTURING

### GENERAL

Manufacturing consists of businesses engaged in the following activities: contract machining, metal parts stamping, fabrication and painting, and production of plastic thermoformed horticultural containers, life science and industrial packaging, and material handling components and extruded raw material stock.

The Company derived 30%, 29% and 27% of its consolidated operating revenues and 13%, 14% and 11% of its consolidated operating income from the Manufacturing segment for the years ended December 31, 2019, 2018 and 2017, respectively. Following is a brief description of each of these businesses:

**BTD Manufacturing, Inc. (BTD)**, with headquarters located in Detroit Lakes, Minnesota, is a metal stamping and tool and die manufacturer that provides its services mainly to customers in the Midwest. BTD stamps, fabricates, welds, paints and laser cuts metal components according to manufacturers' specifications primarily for the recreational vehicle, agricultural, oil and gas, lawn and garden, industrial equipment, health and fitness and enclosure industries in its facilities in Detroit Lakes and Lakeville, Minnesota, Washington, Illinois and Dawsonville, Georgia. BTD's Illinois facility also manufactures and fabricates parts for off-road equipment, mining machinery, oil fields and offshore oil rigs, wind industry components, broadcast antennae and farm equipment. BTD's Georgia facility offers a wide range of metal fabrication services ranging from simple laser cutting services and high volume stamping to complex weldments and assemblies for metal fabrication buyers and original equipment manufacturers.

**T.O. Plastics, Inc. (T.O. Plastics)**, located in Otsego and Clearwater, Minnesota, manufactures and sells thermoformed products for the horticulture industry throughout the United States. T.O. Plastics also designs and manufactures quality thermoformed products and packaging solutions for the medical and life sciences, industrial, recreation and electronics industries. Examples of products produced for these industries are clamshell packing, blister packs, returnable pallets and handling trays for shipping and storing odd-shaped or difficult-to-handle parts.

## PRODUCT DISTRIBUTION

The principal method for distribution of the manufacturing companies' products is by direct shipment to the customer by common carrier ground transportation. No single customer or product of the Company's manufacturing companies accounted for 10% of the Company's consolidated revenue in 2019. However, the top two customers combined accounted for 35% and the top five customers combined accounted for over 54% of 2019 Manufacturing segment revenue.

## COMPETITION

The various markets in which the Manufacturing segment entities compete are characterized by intense competition from both foreign and domestic manufacturers. These markets have many established manufacturers with broader product lines, greater distribution capabilities, greater capital resources, excess capacity, labor advantages and larger marketing, research and development staffs and facilities than the Company's manufacturing entities.

The Company believes the principal competitive factors in its Manufacturing segment are product performance, quality, price, technical innovation, cost effectiveness, customer service and breadth of product line. The Company's manufacturing entities intend to continue to compete based on high-performance products, innovative production technologies, cost-effective manufacturing techniques, close customer relations and support, and increasing product offerings.

## RAW MATERIALS SUPPLY

The companies in the Manufacturing segment use raw materials in the products they manufacture, including steel, aluminum, and polystyrene and other plastics resins. Both pricing increases and availability of these raw materials are concerns of companies in the Manufacturing segment. The companies in the Manufacturing segment attempt to pass increases in the costs of these raw materials on to their customers. Increases in the costs of raw materials that cannot be passed on to customers could have a negative effect on profit margins in the Manufacturing segment. Additionally, a certain amount of residual material (scrap) is a by-product of the manufacturing and production processes used by the Company's manufacturing companies. Declines in commodity prices for these scrap materials due to weakened demand or excess supply can negatively impact the profitability of the Company's manufacturing companies as it reduces their ability to mitigate the cost associated with excess material.

## BACKLOG

The Manufacturing segment has backlog in place to support 2019 revenues of approximately \$179 million compared with \$211 million one year ago. Material price deflation is driving backlog down by \$19 million and the remaining \$13 million decrease in backlog is volume driven.

## CAPITAL EXPENDITURES

Capital expenditures in the Manufacturing segment typically include additional investments in new manufacturing equipment or expenditures to replace worn-out manufacturing equipment. Capital expenditures may also be made for the purchase of land and buildings for plant expansion and for investments in management information systems. During 2019, cash expenditures for capital additions in the Manufacturing segment were approximately \$14 million. Total capital expenditures for the Manufacturing segment during the five-year period 2020-2024 are estimated to be approximately \$67 million.

## EMPLOYEES

At December 31, 2019 the Manufacturing segment had 1,346 full-time employees. There were 1,145 full-time employees at BTD and 201 full-time employees at T.O. Plastics as of December 31, 2019.

## PLASTICS

### GENERAL

Plastics consists of businesses producing PVC pipe at plants in North Dakota and Arizona. The Company derived 20%, 22% and 22% of its consolidated operating revenues and 21%, 25% and 22% of its consolidated operating income from the Plastics segment for the years ended December 31, 2019, 2018 and 2017, respectively. Following is a brief description of these businesses:

**Northern Pipe Products, Inc. (Northern Pipe)**, located in Fargo, North Dakota, manufactures and sells PVC pipe for municipal water, rural water, wastewater, storm drainage systems and other uses in the northern, midwestern, south-central and western regions of the United States as well as central and western Canada.

**Vinyltech Corporation (Vinyltech)**, located in Phoenix, Arizona, manufactures and sells PVC pipe for municipal water, wastewater, water reclamation systems and other uses in the western, northwest and south-central regions of the United States.

Together these companies have the current capacity to produce approximately 300 million pounds of PVC pipe annually.

### CUSTOMERS

PVC pipe products are marketed through a combination of independent sales representatives, company salespersons and customer service representatives. Customers for the PVC pipe products consist primarily of wholesalers and distributors throughout the northern, midwestern, south-central, western and northwest United States. The principal method for distribution of the PVC pipe companies' products is by common carrier ground transportation. No single customer of the PVC pipe companies accounted for over 10% of the Company's consolidated revenue in 2019. However, two customers combined accounted for 46% of 2019 Plastics segment revenue.

### COMPETITION

The plastic pipe industry is fragmented and competitive due to the number of producers, the small number of raw material suppliers and the fungible nature of the product. Due to shipping costs, competition is usually regional, instead of national, in scope. The principal factors of competition are price, service, warranty, and product performance. Northern Pipe and Vinyltech compete not only against other plastic pipe manufacturers, but also ductile iron, steel and concrete pipe producers. Pricing pressure will continue to affect our Plastics segment operating margins in the future.

Northern Pipe and Vinyltech intend to continue to compete based on their high-quality products, cost-effective production techniques and close customer relations and support.

### MANUFACTURING AND RESIN SUPPLY

PVC pipe is manufactured through a process known as extrusion. During the production process, PVC compound (a dry powder-like substance) is introduced into an extrusion machine, where it is heated to a molten state and then forced through a sizing apparatus to produce the pipe. The newly extruded pipe is then pulled through a series of water-cooling tanks, marked to identify the type of pipe and cut to finished lengths. Warehouse and outdoor storage facilities are used to store the finished product. Inventory is shipped from storage to distributors and customers by common carrier.

The PVC resins are acquired in bulk and shipped to point of use by rail car. There are three vendors Northern Pipe and Vinyltech can source to supply their PVC resin requirements. Two vendors provided over 99% of total resin purchases in 2019 and 2018. The supply of PVC resin may also be limited primarily due to manufacturing capacity and the limited availability of raw material components. Most U.S. resin production plants are located in the Gulf Coast region, which is subject to risk of damage to the plants and potential shutdown of resin production because of exposure to hurricanes that occur in that part of the United States. In 2017, Hurricane Harvey caused major resin suppliers in the Gulf Coast region to shut down production facilities impacting raw material availability. The loss of a key vendor, or any interruption or delay in the supply of PVC resin, could disrupt the ability of the Plastics segment to manufacture products, cause customers to cancel orders or require incurrence of additional expenses to obtain PVC resin from alternative sources, if such sources were available. Both Northern Pipe and Vinyltech believe they have good relationships with their key raw material vendors.

Due to the commodity nature of PVC resin and PVC pipe and the dynamic supply and demand factors worldwide, historically the markets for both PVC resin and PVC pipe have been very cyclical with significant fluctuations in prices and gross margins.

### CAPITAL EXPENDITURES

Capital expenditures in the Plastics segment typically include investments in extrusion machines and support equipment. During 2019, cash expenditures for capital additions in the Plastics segment were approximately \$5 million. Total capital expenditures for the five-year period 2020-2024 are estimated to be approximately \$20 million to replace existing equipment.

### EMPLOYEES

At December 31, 2019 the Plastics segment had 168 full-time employees. Northern Pipe had 94 full-time employees and Vinyltech had 74 full-time employees as of December 31, 2019.

## RISK FACTORS AND CAUTIONARY STATEMENTS

Our businesses are subject to various risks and uncertainties. Any of the risks described below or elsewhere in this report on Form 10-K or in our other SEC filings could materially adversely affect our business, financial condition, results of operations and cash flows. Additional risks and uncertainties we are not presently aware of or that we currently consider immaterial may also affect our business, financial condition, results operations and cash flows.

### Oversight of Risk and Related Processes

A key accountability of the Board of Directors is the oversight of material risk. Management and the Board of Directors have responsibility for overseeing the identification and mitigation of top risks. Management identifies and analyzes risks to determine the impact and other attributes such as timing, likelihood and management control. Identification and analysis occur formally through a top risk assessment conducted by senior management, the financial disclosure process, and internal auditing and compliance with financial and operational controls. Management also identifies and analyzes risk through development of goals and key performance indicators, which include risk identification to determine barriers to implementing our strategy. We promote a culture of compliance, including tone at the top. The process for risk mitigation includes adherence to our code of conduct and compliance policies, operation of formal risk management structures and overall business management to mitigate the risks inherent in the implementation of strategy. We manage and further mitigate risks through formal risk management structures, including a management executive risk committee and services such as internal audit/business risk management and legal. Management communicates regularly with our Board of Directors and key stakeholders regarding risk. Senior management presents and communicates a periodic risk assessment to our Board of Directors which provides information on the risks management believes are material, including the earnings impact, timing, likelihood and management control. The Board of Directors approaches oversight, management and mitigation of risk as an integral and continuous part of its governance of Otter Tail Corporation. The Board of Directors regularly reviews management's top risk assessment and analyzes areas of existing and future risks and opportunities. Finally, the Board of Directors conducts an annual strategy session where our future plans and initiatives are reviewed.

### GENERAL

#### **Federal and state environmental regulation could require us to incur substantial capital expenditures and increased operating costs.**

We are subject to federal, state and local environmental laws and regulations relating to air quality, water quality, waste management, natural resources and health safety. These laws and regulations regulate the modification and operation of existing facilities, the construction and operation of new facilities and the proper storage, handling, cleanup and disposal of hazardous waste and toxic substances. Compliance with these legal requirements requires us to commit significant resources and funds toward environmental monitoring, installation and operation of pollution control equipment, payment of emission fees and securing environmental permits. Obtaining environmental permits can entail significant expense and cause substantial construction delays. Failure to comply with environmental laws and regulations, even if caused by factors beyond our control, may result in civil or criminal liabilities, penalties and fines.

Existing environmental laws or regulations may be revised, and new laws or regulations may be adopted or become applicable to us. Revised or additional regulations, which result in increased compliance

costs or additional operating restrictions, particularly if those costs are not fully recoverable from customers, could have a material effect on our results of operations.

#### **Weather impacts, including normal seasonal fluctuation of weather, as well as extreme weather events that could be associated with climate change, could adversely affect our results of operations.**

OTP's business is seasonal and weather patterns can have a material impact on its financial performance. Demand for electricity is normally greater in the winter and summer months. Unusually mild summers and winters could have an adverse effect on OTP's financial condition and results of operations. In addition, the companies in our Plastics segments are affected by weather's impact on contractors whose work can be delayed and therefore reduce the need for PVC pipe during winter weather and extreme wet conditions. Our businesses are located in areas that could be subject to seasonal natural disasters such as severe snow and ice storms, tornadoes, flooding and fires. These factors could result in interruption of our business and damage to our facilities. An extreme weather event within our utility service areas could directly affect our capital assets, causing disruption in service to customers, due to downed wires and poles or damage to other operating equipment.

In addition to variations in seasonal weather patterns, more widespread climate change may also create physical and financial risks to the Company. Physical risks of climate change, such as more frequent or more extreme weather events, changes in temperature and precipitation patterns, changes to ground and surface water availability, and other related phenomena, could affect some or all of our operations. Severe weather or other natural disasters related to climate change could be destructive, which could result in increased costs and delayed capital projects at OTP. Extreme weather conditions, such as uncommonly long periods of high or low ambient temperature, in general require more system backup, adding to costs, and can contribute to increased system stress, including service interruptions. Such risks could have an adverse effect on the Company's financial condition, results of operations and cash flows.

The Company may also be subject to litigation related to climate change. Costs of such litigation could be significant, and an adverse outcome could require substantial capital expenditures, changes in operations and possible payment of penalties or damages which could affect the Company's results of operations and cash flows if the costs are not recoverable in rates or covered by insurance.

#### **Volatile financial markets and changes in our debt ratings could restrict our ability to access capital and increase borrowing costs and pension plan and postretirement health care expenses.**

We rely on access to both short- and long-term capital markets, on acceptable terms and at reasonable costs, as a source of liquidity for capital requirements not satisfied by cash flows from operations. If we are unable to access capital at competitive rates, our ability to implement our business plans may be adversely affected. Market disruptions or a downgrade of our credit ratings may increase the cost of borrowing or adversely affect our ability to access one or more financial markets. Market disruptions could include: a significant economic downturn, volatility in commodity prices, turmoil in the financial services industry and deterioration in capital market conditions. OTP is a party to contracts that require the posting of collateral or settlement of applicable contracts if credit ratings fall below certain levels.

Borrowings under our revolving credit agreements currently use LIBOR as the base to determine the applicable interest rate to charge. LIBOR is currently expected to be eliminated by January 1, 2022. The credit agreements contain provisions to determine how interest rates will be established in the event a replacement for LIBOR has not been identified before the agreements expire on October 31, 2024. There is no assurance the replacement for LIBOR will be as favorable as LIBOR.



Disruptions, uncertainty or volatility in the financial markets can also adversely impact our results of operations, the ability of customers to finance purchases of goods and services, and our financial condition, as well as exert downward pressure on stock prices and/or limit our ability to sustain our current common stock dividend level.

To the extent financial markets view climate change and emissions of GHGs as a financial risk, this could negatively affect the Company's stock price or the Company's ability to access capital markets on favorable terms and conditions.

Changes in the U.S. capital markets could also have significant effects on our pension plan. Our pension income or expense is affected by factors including the market performance of the assets in the master pension trust maintained for the pension plan for some of our employees, the weighted average asset allocation and long-term rate of return of our pension plan assets, the discount rate used to determine the service and interest cost components of our net periodic pension cost and assumed rates of increase in our employees' future compensation. If our pension plan assets do not achieve positive rates of return, or if our estimates and assumed rates are not accurate, our earnings may decrease because net periodic pension costs would rise and we could be required to provide additional funds to cover our obligations to employees under the pension plan.

We could be required to contribute additional capital to the pension plan in the future if the market value of pension plan assets significantly declines, plan assets do not earn in line with our long-term rate of return assumptions or relief under the Pension Protection Act is no longer granted.

**Any significant impairment of our goodwill would cause a decrease in our asset values and a reduction in our net operating income.**

We had approximately \$37.6 million of goodwill recorded on our consolidated balance sheet as of December 31, 2019. We have recorded goodwill for businesses in our Manufacturing and Plastics business segments. If we make changes in our business strategy or if market or other conditions adversely affect operations in any of these businesses, we may be forced to record an impairment charge, which would lead to decreased assets and a reduction in net operating performance. Goodwill is tested for impairment annually or whenever events or changes in circumstances indicate impairment may have occurred. If the testing performed indicates that impairment has occurred, we are required to record an impairment charge for the difference between the carrying amount of the goodwill and the implied fair value of the goodwill in the period the determination is made. The testing of goodwill for impairment requires us to make significant estimates about our future performance and cash flows, as well as other assumptions. These estimates can be affected by numerous factors, including changes in economic, industry or market conditions, changes in business operations, future business operating performance, changes in competition or changes in technologies. Any changes in key assumptions or actual performance compared with key assumptions about our business and its future prospects or other assumptions could affect the fair value of one or more business segments, which may result in an impairment charge. Declines in projected operating cash flows in our Manufacturing or Plastics segments may result in goodwill impairments that could adversely affect our results of operations and financial position, as well as financing agreement covenants.

**The inability of our subsidiaries to provide sufficient earnings and cash flows to allow us to meet our financial obligations and debt covenants and pay dividends to our shareholders could have an adverse effect on the Company.**

Otter Tail Corporation is a holding company with no significant operations of its own. The primary source of funds for payment of our financial obligations and dividends to our shareholders is from cash

provided by our subsidiary companies. Our ability to meet our financial obligations and pay dividends on our common stock principally depends on the actual and projected earnings, cash flows, capital requirements and general financial position of our subsidiary companies, as well as regulatory factors, financial covenants, general business conditions and other matters.

Under our \$170 million revolving credit agreement we may not permit the ratio of our Interest-bearing Debt to Total Capitalization to be greater than 0.60 to 1.00. OTP may not permit the ratio of its Interest-bearing Debt to Total Capitalization to be greater than 0.60 to 1.00 under its \$170 million revolving credit agreement. Both credit agreements contain restrictions on the payment of cash dividends on a default or event of default. As of December 31, 2019, we were in compliance with the debt covenants.

Under the Federal Power Act, a public utility may not pay dividends from any funds properly included in a capital account. What constitutes "funds properly included in a capital account" is undefined in the Federal Power Act or the related regulations; however, the FERC has consistently interpreted the provision to allow dividends to be paid as long as (1) the source of the dividends is clearly disclosed, (2) the dividend is not excessive and (3) there is no self-dealing on the part of corporate officials. The MPUC indirectly limits the amount of dividends OTP can pay Otter Tail Corporation by requiring an equity-to-total-capitalization ratio between 46.0% and 56.2% based on OTP's 2019 capital structure petition. OTP's equity-to-total-capitalization ratio, including short-term debt, was 51.2% as of December 31, 2019.

While these restrictions are not expected to affect our ability to pay dividends at the current level in the foreseeable future, there is no assurance that adverse financial results would not reduce or eliminate our ability to pay dividends.

**We rely on our information systems to conduct our business, and failure to protect these systems against security breaches or cyber-attacks could adversely affect our business and results of operations. Additionally, if these systems fail or become unavailable for any significant period, our business could be harmed.**

The operation of our business is dependent on the secure function of our computer hardware and software systems. Furthermore, all our businesses require us to collect and maintain sensitive customer data, as well as confidential employee and shareholder information, which is subject to electronic theft or loss. We also use third-party vendors to electronically process certain of our business transactions. Information systems, both ours and those of third parties, are vulnerable to security breach by computer hackers and cyber terrorists, and the negligent or intentional breach of established controls and procedures or mismanagement of confidential information by employees. We may also be impacted by attacks and data security breaches of financial institutions, merchants or third-party processors. While we regularly conduct cybersecurity assessments, we cannot be certain our information security systems and protocols and those of our vendors and other third parties are sufficient to withstand a cyber-attack or other security breach.

The breach of certain business systems could affect our ability to correctly record, process and report financial information and transactions. A major cyber incident could result in significant expenses to investigate and repair security breaches or system damage and could lead to litigation, fines, other remedial action, heightened regulatory scrutiny and damage to our reputation. For example, we may be subject to liability under various federal, state and international data protections laws. These laws are subject to change and expansion and may require additional operational changes to comply.

The misappropriation, corruption or loss of personally identifiable information and other confidential data could lead to significant monetary damages, regulatory enforcement actions and breach notification and mitigation expenses such as credit monitoring and result in reputational damage affecting relations with shareholders,



customers and regulators. In addition to property and casualty insurance which may cover restoration of data, certain physical damage or third-party injuries, we have cybersecurity insurance related to a breach event. However, damage and claims arising from such incidents may not be covered or may exceed the amount of any available insurance.

We have cybersecurity processes and controls designed to protect and preserve the confidentiality, integrity and availability of data and systems and we and each of our operating companies have adopted disaster recovery plans. We have also adopted a number of security measures, practices, awareness and training programs as well as system processes to securely maintain confidential information. However, all these measures and technology may not adequately prevent security breaches or cyber-attacks or enable us to recover effectively from such an attack. In addition, the unavailability of the information systems or failure of these systems to perform as anticipated for any reason could disrupt our business and could result in decreased performance and increased overhead costs, causing our business and results of operations to suffer. Any significant interruption or failure of our information systems or any significant breach of security due to cyber-attacks, hacking or internal security breaches could adversely affect our business and results of operations.

Like many other companies, we have been the target of malicious cyber-attack attempts in the normal course of business. Although these prior cyber-attacks have been limited in scope, have not interrupted our business operations and have not had a material impact on our financial results, this may not continue to be the case in the future. Cybersecurity incidents involving businesses and other institutions are on the rise, we believe these incidents are likely to continue and we are unable to predict the direct or indirect impact of future attacks or breaches to our business.

**Economic conditions could negatively impact our businesses.**

Our businesses are affected by local, national and worldwide economic conditions. Tightening of credit in financial markets could adversely affect the ability of customers to finance purchases of our goods and services, resulting in decreased orders, cancelled or deferred orders, slower payment cycles, and increased bad debt and customer bankruptcies. Our businesses may also be adversely affected by decreases in the general level of economic activity, such as decreases in business and consumer spending. A decline in the level of economic activity and uncertainty regarding energy and commodity prices could adversely affect our results of operations and our future growth.

**If we are unable to achieve the organic growth we expect, our financial performance may be adversely affected.**

We expect much of our growth in the next few years will come from major capital investment at existing companies. To achieve the organic growth we expect, we must have access to the capital markets, be successful with capital expansion programs related to organic growth, develop new products and services, expand our markets and increase efficiencies in our businesses. Competitive and economic factors could adversely affect our ability to do this. If we are unable to achieve and sustain consistent organic growth, we will be less likely to meet our earnings growth targets, which may adversely affect the market price of our common shares.

**Our plans to grow our businesses through capital projects, including infrastructure and new technology additions, or to grow or realign our businesses through acquisitions or dispositions may not be successful, which could result in poor financial performance.**

As part of our business strategy, we intend to increase capital expenditures in our existing businesses and to continually assess our mix of businesses and potential strategic acquisitions or dispositions. We have a substantial capital investment program planned for the next five years including investments in renewables, a natural gas-fired

plant, transmission assets and potential technology and infrastructure projects. Our ability to successfully and timely complete capital additions and improvements to existing facilities is contingent on many variables including availability and timely delivery of materials and components, which rely in part on a global markets, which markets could be subject to political crises, public health crises or other catastrophic events that are outside of our control. For example, in December 2019, a strain of coronavirus was reported to have occurred in Wuhan, China, resulting in certain manufacturing plants shuttering by government mandate. At this point, the extent to which the coronavirus may impact our capital projects is uncertain. There are also risks associated with capital expenditures including not being granted timely or full recovery of rate base additions in our regulated utility business, the inability to recover the cost of capital additions due to an economic downturn, not being granted timely approval of requested interconnections to the transmission system for planned generation projects, unsuccessful implementation or delay in implementing new technology, lack of markets for new products, competition from producers of lower cost or alternative products, product defects, loss of customers, severe weather events, or other factors. We may not be able to identify appropriate acquisition candidates or successfully negotiate, finance or integrate acquisitions. Future acquisitions could involve numerous risks including: difficulties in integrating the operations, services, products and personnel of the acquired business, and the potential loss of key employees, customers and suppliers of the acquired business. If we are unable to successfully manage these risks, we could face reductions in net income in future periods.

**We may, from time to time, sell assets to provide capital to fund investments in our electric utility business or for other corporate purposes, which could result in the recognition of a loss on the sale of any assets sold and other potential liabilities. The sale of any of our businesses also exposes us to additional risks associated with indemnification obligations under the applicable sales agreements and any related disputes.**

As part of our business strategy, we continually assess our business portfolio to determine if our operating companies continue to meet our portfolio criteria. A loss on the sale of a business would be recognized if a company is sold for less than its book value.

In certain transactions we retain obligations that have arisen, or subsequently arise, out of our conduct of the business prior to the sale. These obligations are sometimes direct or, in other cases, take the form of an indemnification obligation to the buyer. These obligations include such things as warranty, environmental, and the collection of certain receivables. Unforeseen costs related to these obligations could result in future losses related to the business sold.

**Significant warranty claims and remediation costs in excess of amounts normally reserved for such items could adversely affect our results of operations and financial condition.**

Depending on the specific product or service, we may provide certain warranty terms against manufacturing defects and certain materials. We reserve for warranty claims based on industry experience and estimates made by management. For some of our products we have limited history on which to base our warranty estimate. Our assumptions could be materially different from any actual claim and could exceed reserve balances.

Expenses associated with the remediation of warranty claims for our current and former manufacturing businesses could be substantial. The potential exists for multiple claims based on one defect repeated throughout the production process or for claims where the cost to repair or replace the defective part is highly disproportionate to the original cost of the part. If we are required to cover remediation expenses in addition to our regular warranty coverage, we could be required to accrue additional expenses and experience additional

unplanned cash expenditures which could adversely affect our consolidated net income and financial condition.

**We are subject to risks associated with energy markets.**

Our businesses are subject to the risks associated with energy markets, including market supply and increasing energy prices. If we are faced with shortages in market supply, we may be unable to fulfill our contractual obligations to our retail, wholesale and other customers at previously anticipated costs. This could force us to obtain alternative energy or fuel supplies at higher costs or suffer increased liability for unfulfilled contractual obligations. Any significantly higher than expected energy or fuel costs would negatively affect our financial performance.

**Changes in tax laws, as well as judgments and estimates used in the determination of tax-related asset and liability amounts, could materially adversely affect our business, financial condition, results of operations and prospects.**

Our provision for income taxes and reporting of tax-related assets and liabilities require significant judgments and the use of estimates. Amounts of tax-related assets and liabilities involve judgments and estimates of the timing and probability of recognition of income, deductions and tax credits, including, but not limited to, estimates for potential adverse outcomes regarding tax positions that have been taken and the ability to utilize tax benefit carryforwards, such as net operating loss and tax credit carryforwards. Actual income taxes could vary significantly from estimated amounts due to the future impacts of, among other things, changes in tax laws, regulations and interpretations, the financial condition and results of operations of the Company, and the resolution of audit issues raised by taxing authorities. Ultimate resolution of income tax matters may result in material adjustments to tax-related assets and liabilities, which could materially adversely affect our business, financial condition, results of operations and prospects.

**Four of our operating companies have single customers that provide a significant portion of the individual operating company's and the business segment's revenue. The loss of, or significant reduction in revenue from, any one of these customers would have a significant negative financial impact on the operating company and its business segment and could have a significant negative financial impact on the Company.**

While no single customer of the Company provides more than 10% of consolidated revenue, each of the Company's segments have large customers that provide over 10% of the operating company's and its segment's revenue. In 2019, one customer accounted for 12% of Electric segment revenue, two customers accounted for a total of 35% of Manufacturing segment revenue and two customers accounted for 46% of Plastics segment revenue. The loss of any one of these customers, or a significant decline in sales to these customers, would have a significant negative impact on the operating company's and its business segment's financial position and results of operations, and could have a significant negative impact on the Company's consolidated financial position and results of operations.

**The inability to attract and retain a qualified workforce including, but not limited to, executive officers, key employees and employees with specialized skills could have an adverse effect on our operations.**

The success of our business heavily depends on the leadership of our executive officers and key employees to implement our strategy. The inability to attract and maintain a qualified workforce at all our operating companies may negatively affect our ability to service our customers, manufacture products, or successfully manage our business and achieve our objectives. Competition for skilled workers is high and can lead to increased labor expenses, decreased productivity and potentially lost business opportunities. Our ability to maintain productivity,

relationships with customers, competitive costs, and quality services is limited by the ability to employ the necessary skilled personnel and could negatively affect our results of operations, financial position and cash flows.

**ELECTRIC**

**We may experience fluctuations in revenues and expenses related to our electric operations, which may cause our financial results to fluctuate and could impair our ability to make distributions to shareholders or scheduled payments on our debt obligations, or to meet covenants under our borrowing agreements.**

Several factors, many of which are beyond our control, may contribute to fluctuations in our revenues and expenses from electric operations, causing our net income to fluctuate from period to period. These risks include fluctuations in the volume and price of sales of electricity to customers or other utilities, which may be affected by factors such as mergers and acquisitions of other utilities, geographic location of other utilities, transmission costs (including increased costs related to operations of regional transmission organizations), interconnection costs, generation curtailment, changes in the manner in which wholesale power is sold and purchased, unplanned interruptions at OTP's generating plants, the effects of regulation and legislation, demographic changes in OTP's customer base and changes in OTP's customer demand or load growth. Other risks include weather conditions or changes in weather patterns (including severe weather that could result in damage to OTP's assets), fuel and purchased power costs and the rate of economic growth or decline in OTP's service areas. A decrease in revenues or an increase in expenses related to our electric operations may reduce the amount of funds available for our existing and future utility business, which could result in increased financing requirements, impair our ability to make expected distributions to shareholders or impair our ability to make scheduled payments on our debt obligations, or to meet covenants under our borrowing agreements.

**Actions by the regulators of our electric operations could result in rate reductions, lower revenues and earnings or delays in recovering capital expenditures.**

We are subject to federal and state legislation, government regulations and regulatory actions that may have a negative impact on our business and results of operations. The electric rates that OTP is allowed to charge for its electric services are one of the most important items influencing our financial position, results of operations and liquidity. The rates OTP charges its electric customers are subject to review and determination by state public utility commissions in Minnesota, North Dakota and South Dakota. OTP is also regulated by the FERC. Our ability to obtain rate adjustments to maintain reasonable rates of return depends on regulatory action under applicable statutes and regulations and we cannot provide assurance that rate adjustments will be obtained or reasonable authorized rates of return on capital will be earned. Also, there is no assurance the applicable regulatory authority will judge all our costs to have been prudently incurred or that rates will produce full recovery of such costs. In addition, there could be changes in the regulatory environment that would impair the ability of OTP to recover costs historically collected from their customers. OTP will file rate cases with, or seek cost recovery authorization from, federal and state regulatory authorities. An adverse decision by one or more regulatory authorities concerning the level or method of determining electric utility rates, the authorized returns on equity, recoverability of fuel and purchase power costs, approval of depreciation rates, implementation of enforceable federal reliability standards or other regulatory matters, permitted business activities (such as ownership or operation of nonelectric businesses) or any prolonged delay in rendering a decision in a rate or other proceeding (including with respect to the recovery of capital expenditures in rates) could result in lower revenues and net income.

**OTP's operations are subject to an extensive legal and regulatory framework under federal and state laws as well as regulations imposed by other organizations that may have a negative impact on our business and results of operations.**

We are subject to an extensive legal and regulatory framework imposed under federal and state law and regulatory agencies, including the FERC and the NERC. We could be subject to potential financial penalties for compliance violations. Our transmission systems and electric generation facilities are subject to the NERC mandatory reliability standards, including cybersecurity standards. If a serious reliability incident did occur, it could have a material effect on our operations or financial results. Some states have the authority to impose substantial penalties in the event of non-compliance. We attempt to mitigate the risk of regulatory penalties through formal training. However, there is no guarantee our compliance program will be sufficient to ensure against violations.

In addition, energy policy initiatives at the state or federal level could increase incentives for distributed generation or authorize municipal utility formation or acquisition of service territory, or local initiatives could introduce generation or distribution requirements that could change the current integrated utility model.

These laws and regulations significantly influence our operations and may affect our ability to recover costs from our customers. We are required to have numerous permits, licenses, approvals and certificates from the agencies and other organizations that regulate our business. We believe we have obtained the necessary approvals for our existing operations and that our business is conducted in accordance with applicable laws and regulatory requirements; however, we are unable to predict the impact on our operating results from the future regulatory activities of any of these agencies and other organizations. Changes in regulations or the imposition of additional regulations could have a material adverse impact on our results of operations.

**OTP's electric transmission and generation facilities could be vulnerable to cyber and physical attack that could impair our ability to provide electrical service to our customers or disrupt the U.S. bulk power system.**

OTP owns electric transmission and generation facilities subject to mandatory and enforceable standards advanced by the NERC. These bulk electric system facilities provide the framework for the electrical infrastructure of OTP's service territory and interconnected systems, the operation of which is dependent on information technology systems. Further, the information systems that operate OTP's electric system are interconnected to external networks. Parties that wish to disrupt the U.S. bulk power system or OTP's operations could view OTP's computer systems, software or networks as attractive targets for cyber-attack.

In addition, OTP's generation and transmission facilities are spread throughout a large service territory. These facilities could be subject to physical attack or vandalism that could disrupt OTP's operations or conceivably the regional or U.S. bulk power system.

OTP is subject to mandatory cybersecurity and physical security regulatory requirements. OTP implements the NERC standards for operating its transmission and generation assets and stays abreast of best practices within business and the utility industry to protect its computers and computer-controlled systems from outside attack. We rely on industry accepted security measures and technology to securely maintain confidential and proprietary information necessary for the operation of our systems. In an effort to reduce the likelihood and severity of cyber intrusions, we have cybersecurity processes and controls and disaster recovery plans designed to protect and preserve the confidentiality, integrity and availability of data and systems. We also take prudent and reasonable steps to protect the physical security of our generation and transmission facilities. The FERC has approved Version 5 of the Critical Infrastructure Protection Cybersecurity Standards. The standards require us to categorize our cyber assets as high, medium and low impact. As of December 31, 2019, all these cyber assets were in compliance with the standard. However, all these measures and

technology may not adequately prevent security breaches or cyber-attacks or enable us to recover effectively from such a breach or attack. Any significant interruption or failure of our information systems or any significant breach of security due to cyber-attacks, hacking or internal security breaches or physical attack of our generation or transmission facilities could adversely affect our business and results of operations.

Like many other companies, we have been the target of malicious cyber-attack attempts in the normal course of business. Although these prior cyber-attacks have been limited in scope, have not interrupted our business operations and have not had a material impact on our financial results, this may not continue to be the case in the future. Cybersecurity incidents involving businesses and other institutions are on the rise, we believe these incidents are likely to continue and we are unable to predict the direct or indirect impact of future attacks or breaches to our business.

**OTP's electric generating facilities are subject to operational risks that could result in early closure, unscheduled plant outages, unanticipated operation and maintenance expenses and increased power purchase costs.**

Operation of electric generating facilities involves risks which can adversely affect energy output and efficiency levels. OTP relies on a limited number of suppliers of coal, making it vulnerable to increased prices for fuel as existing contracts expire or in the event of unanticipated interruptions in fuel supply. There can be no assurance suppliers will fulfill their obligations to provide coal. Certain of our former coal suppliers have filed bankruptcy proceedings in the past which did not materially affect our operations. Our current suppliers could experience financial issues, operational problems or other circumstances, such as severe weather or natural disaster that inhibit their ability to fulfill their obligations. OTP is a captive rail shipper of the BNSF Railway for shipments of coal to its Big Stone and Hoot Lake plants, making it vulnerable to increased prices for coal transportation from a sole supplier and disruptions in coal deliveries due to rail line congestion and constraints or extreme weather conditions that could impact the rail lines between the coal source mines and the plants. If OTP were unable to obtain its coal requirements under existing coal supply and transportation contracts it could be required to purchase coal at higher prices or forced to purchase electricity from higher-cost generation resources in the MISO energy market. Higher fuel prices result in higher electric rates for OTP's retail customers through fuel clause adjustments and could make it less competitive in wholesale electric markets. In addition, regulatory authorities could disallow recovery of the increased fuel or purchase power costs.

Operational risks also include facility shutdowns due to breakdown or failure of equipment or processes, labor disputes, operator error, and catastrophic events such as fires, explosions, floods, intentional acts of destruction or other similar occurrences, as well as risk of performance below expected levels of output or efficiency affecting OTP's electric generating facilities. We could be subject to costs associated with any unexpected failure to produce or deliver power, including failure caused by a breakdown or forced outage, as well as repairing damage to facilities.

Early closure of a generating facility due to operational or economic factors, environmental regulation or risks or litigation could have a material adverse impact on our results of operations. We would be obligated to pay for costs of closure of our share of generation facilities. If recovery of our remaining investment in such facilities and the costs associated with early closure, including decommissioning, remediation, reclamation and restoration are not recovered from customers, it could have a material impact on our results of operations.

The loss of a major generating facility would require OTP to identify and receive approval for other sources of generation for its customers, if available, and expose it to higher purchased power costs. In addition, OTP may not be able to obtain timely regulatory approval for new generation resources to replace closed facilities.

**Regulation of generating plant emissions could affect our operating costs and the costs of supplying electricity to our customers and the economic viability of continued operation of certain of OTP's steam-powered electric plants.**

In recent years, federal, state and local governments have taken steps to reduce emissions of greenhouse gases, or GHGs. The EPA has finalized a series of GHG monitoring, reporting and emissions control rules for certain large sources of GHGs, and Congress has, from time to time, considered adopting legislation to reduce GHG emissions. Numerous states have already taken measures to reduce GHG emissions, primarily through the development of GHG emission inventories and/or regional GHG cap-and-trade programs. While the current administration has announced that the United States will withdraw from international commitments to reduce GHG emissions, many state and local officials have announced their decisions to uphold such commitments.

Existing or new laws or regulations passed or issued by federal or state authorities addressing climate change or reductions of GHG emissions, such as mandated levels of renewable generation, mandatory reductions in CO<sub>2</sub> emission levels, taxes on CO<sub>2</sub> emissions or cap-and-trade regimes, could require us to incur significant new costs, which could negatively impact our net income, financial position and operating cash flows if such costs cannot be recovered through rates granted by ratemaking authorities in the states where OTP provides service or through increased market prices for electricity.

In certain circumstances, it may not be economically viable to install and operate pollution control equipment at older generation facilities in order to bring them into compliance with environmental laws and regulations, including state implementation plans for the RHR. In those circumstances, it may be necessary to pursue replacement electric generation facilities as an alternative, which may require incurring significant investment in new facilities and recording significant asset impairment charges relating to closed facilities, in addition to obtaining necessary regulatory permits and approvals.

The final version of the ACE Rule, which went into effect on September 6, 2019, establishes guidelines for states to use in developing plans to address GHG emissions from existing coal-fired power plants. The ACE Rule established heat rate improvements as the best system of emissions reduction for CO<sub>2</sub> from existing coal-fired generation units. States will establish unit-specific standards of performance that reflect the emission limitation achievable through certain candidate heat-rate improvement technologies. States have until mid-2022 to submit a state implementation plan to the EPA for approval. We cannot predict the impact of the ACE Rule on us until the state plans are adopted and any judicial reviews are completed, but it could be material to the Company.

State implementation of pollution control plans to improve visibility and air quality at national parks under the EPA's RHR could require us to incur significant new costs, which could, dependent on determinations by state regulatory commissions on approval to recover such costs from customers, negatively impact our net income, financial position and cash flows. OTP understands that the NDDEQ intends to require sources subject to RHR Round 2 reasonable progress determinations, including Coyote Station, to undertake emissions control measures that are reasonably consistent with those required of sources during Round 1. While this process is still in the early stages, if the NDDEQ maintains its initial position, OTP anticipates that significant emissions controls would be required at Coyote Station by December 31, 2028 in order to maintain compliance with the RHR. Plans are due to be submitted to the EPA by July 2021. OTP expects the NDDEQ to begin drafting a state implementation plan in mid-2020. In light of the costs for such emissions control equipment, there are scenarios where it may not be economically feasible to invest in such equipment and an early retirement of the

Coyote Station would therefore be necessary. The costs related to an early retirement of Coyote Station would be material to OTP and the Company and would be subject to state commission approval for recovery from customers.

**The long-range planning required for transmission and generation projects creates risks of increased costs and lower returns on investment when the project is finally completed.**

Electric transmission and generation projects are planned years in advance of when they are placed in service based on resource plans using assumptions over the planning period. These assumptions include sales growth, commodity prices, equipment and construction costs, regulatory treatment, technology and public policy. Changes in critical planning assumptions could result in excess generation, transmission and distribution resources which increase cost per customer. These changes could also result in stranded investments if the utility is not able to fully recover the cost of the investment.

**MANUFACTURING**

**Competition from foreign and domestic manufacturers, the price and availability of raw materials, trade policy and tariffs affecting prices and markets for raw material and manufactured products, prices and supply of scrap or recyclable material and general economic conditions could affect the revenues and earnings of our manufacturing businesses.**

Our manufacturing businesses are subject to intense risks associated with competition from foreign and domestic manufacturers, many of whom have broader product lines, greater distribution capabilities, greater capital resources, larger marketing, research and development staffs and facilities and other capabilities that may place downward pressure on margins and profitability. The companies in our Manufacturing segment use a variety of raw materials in the products they manufacture, including steel, aluminum and polystyrene and other plastics resins. Costs for these items can fluctuate significantly. Federal trade policies, including imposed and proposed tariffs could significantly increase the prices and delivery of raw materials such as steel and aluminum that are critical to the manufacturing businesses. If our manufacturing businesses are not able to pass on cost increases to their customers, it could have a negative effect on profit margins in our Manufacturing segment. Additionally, a certain amount of residual material (scrap) is a by-product of the manufacturing and production processes used by our manufacturing companies. Declines in commodity prices for these scrap materials due to weakened demand or excess supply, can negatively impact the profitability of our manufacturing companies as it reduces their ability to mitigate the cost associated with excess material. Changes in macroeconomic conditions can negatively impact demand in the end-use markets for products and parts that we manufacture, resulting in reduced sales and profits. There is no assurance the initiatives underway to increase revenues and improve margins at our manufacturing businesses will be successful.

**Economic conditions in the industries in which our customers operate can have an adverse impact on our results of operations and cash flows.**

Our manufacturing businesses derive a large amount of their net sales from customers in the following industry sectors: recreational vehicle/powersports, lawn and garden, construction, agriculture, energy, horticultural and life science. Factors affecting any of these industries in general, or any of our customers in particular, could adversely affect us because our net sales growth largely depends on the continued growth of our customers' businesses in their respective industries. These factors include:

- ▶ seasonality of demand for our customers' products which may cause our manufacturing capacity to be underutilized for periods of time;



- ▶ our customers' failure to successfully market their products, to gain or retain widespread commercial acceptance of their products or to compete effectively in their industries;
- ▶ loss of market share for our customers' products, which may lead our customers to reduce or discontinue purchasing our products and components and to reduce prices, thereby exerting pricing pressure on us;
- ▶ economic conditions in the markets in which our customers operate, in particular, the United States, including recessionary periods such as a global economic downturn;
- ▶ our customers' decision to insource the production of components that has traditionally been outsourced to us; and
- ▶ product design changes or manufacturing process changes that may reduce or eliminate demand for the components we supply.

We expect future sales will continue to depend on the success of our customers. If economic conditions or demand for our customers' products deteriorate, we may experience a material adverse effect on our business, operating results and financial condition.

**Our business and operating results may be adversely affected if we are not able to maintain our manufacturing, engineering and technological expertise.**

The markets for our manufacturing businesses are characterized by changing technology and evolving process development. The continued success of our businesses will depend on our ability to:

- ▶ hire, retain and expand our pool of qualified engineering and trade-skilled personnel;
- ▶ maintain technological leadership in our industry;
- ▶ implement new and expand on current robotics, automation and tooling technologies; and
- ▶ anticipate or respond to changes in manufacturing processes in a cost-effective and timely manner.

We may not be able to develop the capabilities required by our customers in the future. The emergence of new technologies, industry standards or customer requirements may render our equipment, inventory or processes obsolete or uncompetitive. We may have to acquire new technologies and equipment to remain competitive. The acquisition and implementation of new technologies and equipment may require us to incur significant expense and capital investment, which could reduce our margins and affect our operating results. When we establish or acquire new facilities, we may not be able to maintain or develop our manufacturing, engineering and technological expertise due to a lack of trained personnel, effective training of new staff or technical difficulties with machinery. Failure to anticipate and adapt to customers' changing technological needs and requirements, to hire and retain a sufficient number of engineers, and to maintain manufacturing, engineering and technological expertise may have a material adverse effect on our businesses and operating results.

**Our manufacturing, painting and coating operations are subject to environmental, health and safety laws and regulations that could result in liabilities to us.**

Our manufacturing, painting and coating operations are subject to environmental, health and safety laws and regulations, including those governing discharges to air and water, the management and disposal of hazardous substances, the cleanup of contaminated sites and health and safety matters. We could incur material costs, including cleanup costs, civil and criminal fines, penalties and third-party claims for cost recovery, property damage or personal injury as a result of violations of or liabilities under such laws and regulations. The ultimate cost of

remediating contaminated sites, if any, is difficult to accurately predict and could exceed estimates. In addition, as environmental, health and safety laws and regulations have tended to become stricter, we could incur additional costs complying with requirements that are promulgated in the future.

**PLASTICS**

**Our plastics operations are highly dependent on a limited number of vendors for PVC resin and a limited supply of PVC resin. The loss of a key vendor, or any interruption or delay in the supply of PVC resin, could result in reduced sales or increased costs for our plastics business.**

We rely on a limited number of vendors to supply the PVC resin used in our plastics business. Two vendors provided over 99% of our total purchases of PVC resin in 2019 and 2018. In addition, the supply of PVC resin may be limited primarily due to manufacturing capacity and the limited availability of raw material components. Most U.S. resin production plants are located in the Gulf Coast region, which may increase the risk of a shortage of resin in the event of a hurricane or other natural disaster in that region. The loss of a key vendor or any interruption or delay in the availability or supply of PVC resin could disrupt our ability to deliver our plastic products, cause customers to cancel orders or require us to incur additional expenses to obtain PVC resin from alternative sources, if such sources are available.

**We compete against many other manufacturers of PVC pipe and manufacturers of alternative products. Customers may not distinguish our products from those of our competitors.**

The plastic pipe industry is fragmented and competitive due to the number of producers and the fungible nature of the product. We compete not only against other plastic pipe manufacturers, but also against ductile iron, steel and concrete pipe manufacturers. Due to shipping costs, competition is usually regional instead of national in scope, and the principal areas of competition are a combination of price, service, warranty, and product performance. Our inability to compete effectively in each of these areas and to distinguish our plastic pipe products from competing products may adversely affect the financial performance of our plastics business.

**Changes in PVC resin prices can negatively affect our plastics business.**

The PVC pipe industry is highly sensitive to commodity raw material pricing volatility. Historically, when resin prices are rising or stable, margins and sales volume have been higher and when resin prices are falling, sales volumes and margins have been lower. Changes in PVC resin prices can negatively affect PVC pipe prices, profit margins on PVC pipe sales and the value of our finished goods inventory.



## ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

## ITEM 2. PROPERTIES

The Coyote Station, which commenced operation in 1981, is a 414,000 kW (nameplate rating) mine-mouth plant located in the lignite coal fields near Beulah, North Dakota and is jointly owned by OTP, Northern Municipal Power Agency, Montana-Dakota Utilities Co. and Northwestern Public Service Company. OTP is the operating agent of the Coyote Station and owns 35% of the plant.

OTP, jointly with Northwestern Public Service Company and Montana-Dakota Utilities Co., owns the 414,000 kW (nameplate rating) Big Stone Plant in northeastern South Dakota which commenced operation in 1975. OTP is the operating agent of Big Stone Plant and owns 53.9% of the plant.

Located near Fergus Falls, Minnesota, the Hoot Lake Plant is comprised of two separate generating units: a unit built in 1959 (53,500 kW nameplate rating) and a unit added in 1964 (75,000 kW nameplate rating) and modified in 1988 to provide cycling capability, allowing this unit to be more efficiently brought online from a standby mode. These two generating units have a combined nameplate rating of 128,500 kW. Current plans are for both units to be retired from service in 2021.

OTP owns 27 wind turbines at the Langdon, North Dakota Wind Energy Center with a nameplate rating of 40,500 kW, 32 wind turbines at the Ashtabula Wind Energy Center located in Barnes County, North Dakota with a nameplate rating of 48,000 kW and 33 wind turbines at the Luverne Wind Farm located in Griggs and Steele Counties, North Dakota with a nameplate rating of 49,500 kW.

As of December 31, 2019, OTP's transmission facilities, which are interconnected with lines of other public utilities, consisted of 780 miles of jointly owned 345 kV lines; 494 miles of 230 kV lines, of which 70 miles are jointly owned; 918 miles of 115 kV lines; and 4,011 miles of lower voltage lines, principally 41.6 kV. OTP owns the uprated portion of 48 miles of the 345 kV lines, with Minnkota Power Cooperative retaining title to the original 230 kV construction, and OTP owns an undivided interest in the remaining 345 kV line miles. OTP is a joint owner, with other regional utilities, in transmission lines with the following ownership interests: 14.8% in the 70 mile Bemidji-Grand Rapids 230 kV line, approximately 14.2% of 242 miles of energized line in the Fargo-Monticello 345 kV project, approximately 4.8% of 255 miles of energized line in the Brookings to Southeast Twin Cities 345 kV project, 50.0% of 72 miles of energized line in the Big Stone South-Brookings 345 kV project, and 50.0% of 162 miles of energized line in the Big Stone South-Ellendale 345 kV project.

In addition to the properties mentioned above, all of which are utilized by the Electric segment, the Company owns and has investments in offices and service buildings utilized by each of its manufacturing and plastic pipe companies. The Company's subsidiaries own facilities and equipment used in the manufacture of PVC pipe, thermoformed products, heavy metal fabricated products, metal parts stamping, fabricating, painting and contract machining.

Management of the Company believes the facilities and equipment described above are adequate for the Company's present business.

## ITEM 3. LEGAL PROCEEDINGS

The Company is the subject of various pending or threatened legal actions and proceedings in the ordinary course of its business. Such matters are subject to many uncertainties and to outcomes that are not predictable with assurance. The Company records a liability in its consolidated financial statements for costs related to claims, including future legal costs, settlements and judgments, where the Company has assessed that a loss is probable, and an amount can be reasonably estimated. The Company believes the final resolution of currently pending or threatened legal actions and proceedings, either individually or in the aggregate, will not have a material adverse effect on its consolidated financial position, results of operations or cash flows.

## ITEM 3A. INFORMATION ABOUT OUR EXECUTIVE OFFICERS (AS OF FEBRUARY 20, 2020)

Set forth below is a summary of the principal occupations and business experience during the past five years of the executive officers as defined by rules of the SEC. Each of the executive officers has been employed by the Company for more than five years in an executive or management position either with the Company or its wholly owned subsidiary, Otter Tail Power Company.

| Name and Age               | Date Elected to Office | Present Position                                        |
|----------------------------|------------------------|---------------------------------------------------------|
| Charles S. MacFarlane (55) | 4/13/15                | President and Chief Executive Officer                   |
| Kevin G. Moug (60)         | 4/9/01                 | Chief Financial Officer and Senior Vice President       |
| Timothy J. Rogelstad (53)  | 4/14/14                | Senior Vice President, Electric Platform                |
| John Abbott (61)           | 2/11/15                | Senior Vice President, Manufacturing Platform           |
| Jennifer O. Smestad (49)   | 1/1/18                 | Vice President, General Counsel and Corporate Secretary |

Mr. MacFarlane was elected as the Company's President and Chief Executive Officer and as member of the Company's board of directors on April 13, 2015. Prior to that, he served as President and Chief Operating Officer of the Company, since April 14, 2014. Mr. MacFarlane joined OTP in 2001, served as its President from 2003 to 2014 and has served as its Chief Executive Officer from 2007 to the present. He served as Senior Vice President, Electric Platform of the Company from 2012 to 2014.

Kevin G. Moug has served as Chief Financial Officer and Senior Vice President of the Company since April 9, 2001.

Timothy J. Rogelstad was appointed to succeed Mr. MacFarlane as President of OTP and Senior Vice President, Electric Platform of the Company on April 14, 2014. Mr. Rogelstad joined OTP in June 1989 as an engineer in the System Engineering Department and served as Supervisor, Transmission Planning, and Manager, Delivery Planning, before being named Vice President, Asset Management, in 2012. In the role of Vice President, Asset Management at OTP, he was in charge of OTP's Delivery Planning, Delivery Maintenance, Delivery Engineering, System Operations, and Project Management Departments.

John Abbott was selected to serve as Senior Vice President, Manufacturing Platform, and President of Varistar on February 5, 2015. Prior to coming to the Company, Mr. Abbott served as an officer and group vice president for eight years at Standex International Corporation (Standex), a group of restaurant equipment companies. During his last five years at Standex, Mr. Abbott served as Group Vice President, Food Service Equipment Group. In this role, Mr. Abbott was responsible for all strategic and operational aspects of the Food Service Equipment business. Prior to working at Standex, Mr. Abbott was with Pentair for 20 years, rising from product manager to president and global business unit leader of its water filtration division.

Jennifer O. Smestad was appointed to the position of Vice President, General Counsel and Corporate Secretary of the Company, effective January 1, 2018. Ms. Smestad joined the Company on May 14, 2001 as an Associate General Counsel and has served in various legal capacities of increasing responsibility at the Company and at OTP. She most recently served as General Counsel for OTP from March 1, 2013 to the present.

The term of office for each of the executive officers is one year and any executive officer elected may be removed by the vote of the board of directors at any time during the term. There are no family relationships between any of the executive officers or directors.

## ITEM 4. MINE SAFETY DISCLOSURES

Not Applicable.

## PART II

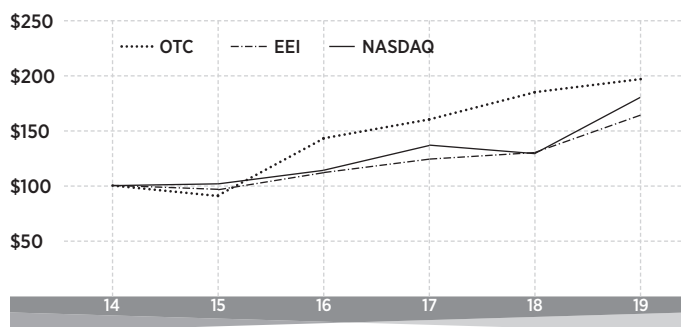
### ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

The Company's common stock is traded on the Nasdaq Global Select Market under the Nasdaq symbol "OTTR". The information required by this Item can be found under the headings "Selected Financial Data," "Retained Earnings and Dividend Restriction" and "Supplementary Financial Information" in this report on Form 10-K. The Company does not have a publicly announced stock repurchase program. The Company did not repurchase any equity securities during the three months ended December 31, 2019.

#### PERFORMANCE GRAPH

##### COMPARISON OF FIVE-YEAR CUMULATIVE TOTAL RETURN

This graph compares the cumulative total shareholder return on the Company's common shares for the last five fiscal years with the cumulative return of The Nasdaq Stock Market Index and the Edison Electric Institute (EEI) Index over the same period (assuming the investment of \$100 in each vehicle on December 31, 2014, and reinvestment of all dividends).



|        | 2014      | 2015      | 2016      | 2017      | 2018      | 2019             |
|--------|-----------|-----------|-----------|-----------|-----------|------------------|
| OTC    | \$ 100.00 | \$ 89.95  | \$ 143.08 | \$ 160.75 | \$ 184.77 | <b>\$ 196.19</b> |
| EEI    | \$ 100.00 | \$ 96.10  | \$ 112.85 | \$ 126.07 | \$ 130.70 | <b>\$ 164.41</b> |
| Nasdaq | \$ 100.00 | \$ 100.48 | \$ 113.55 | \$ 137.83 | \$ 130.33 | <b>\$ 170.96</b> |

## ITEM 6. SELECTED FINANCIAL DATA

| <i>(thousands, except number of shareholders and per-share data)</i>   | 2019              | 2018              | 2017              | 2016              | 2015              |
|------------------------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Revenues</b>                                                        |                   |                   |                   |                   |                   |
| Electric                                                               |                   |                   |                   |                   |                   |
| Revenues from Contracts with Customers                                 | \$ 458,065        | \$ 450,694        | \$ 436,508        | \$ 425,279        | \$ 410,109        |
| Changes in Accrued Revenues under Alternative Revenue Programs         | 1,032             | (439)             | (1,971)           | 2,104             | (2,978)           |
| Total Electric Revenues                                                | 459,097           | 450,255           | 434,537           | 427,383           | 407,131           |
| Manufacturing Revenues from Contracts with Customers                   | 277,204           | 268,409           | 229,738           | 221,289           | 215,011           |
| Plastics Revenues from Contracts with Customers                        | 183,257           | 197,840           | 185,132           | 154,901           | 157,758           |
| Intersegment Eliminations—Contracts with Customers                     | (55)              | (57)              | (57)              | (34)              | (96)              |
| Total Operating Revenues                                               | \$ 919,503        | \$ 916,447        | \$ 849,350        | \$ 803,539        | \$ 779,804        |
| <b>Revenues from Contracts with Customers</b>                          | <b>\$ 918,471</b> | <b>\$ 916,886</b> | <b>\$ 851,321</b> | <b>\$ 801,435</b> | <b>\$ 782,782</b> |
| <b>Net Income from Continuing Operations</b>                           | <b>\$ 86,847</b>  | <b>\$ 82,345</b>  | <b>\$ 72,439</b>  | <b>\$ 62,321</b>  | <b>\$ 58,589</b>  |
| <b>Net Income from Discontinued Operations</b>                         | <b>—</b>          | <b>—</b>          | <b>—</b>          | <b>—</b>          | <b>756</b>        |
| <b>Net Income</b>                                                      | <b>\$ 86,847</b>  | <b>\$ 82,345</b>  | <b>\$ 72,439</b>  | <b>\$ 62,321</b>  | <b>\$ 59,345</b>  |
| <b>Operating Cash Flow from Continuing Operations</b>                  | <b>\$ 185,037</b> | <b>\$ 143,448</b> | <b>\$ 173,577</b> | <b>\$ 163,386</b> | <b>\$ 131,540</b> |
| <b>Operating Cash Flow—Continuing and Discontinued Operations</b>      | <b>185,037</b>    | <b>143,448</b>    | <b>173,577</b>    | <b>163,386</b>    | <b>117,540</b>    |
| <b>Capital Expenditures—Continuing Operations</b>                      | <b>207,365</b>    | <b>105,425</b>    | <b>132,913</b>    | <b>161,259</b>    | <b>160,084</b>    |
| <b>Total Assets</b>                                                    | <b>2,273,595</b>  | <b>2,052,517</b>  | <b>2,004,278</b>  | <b>1,912,385</b>  | <b>1,818,683</b>  |
| <b>Long-Term Debt</b>                                                  | <b>689,581</b>    | <b>590,002</b>    | <b>490,380</b>    | <b>505,341</b>    | <b>443,846</b>    |
| <b>Basic Earnings Per Share—Continuing Operations <sup>(1)</sup></b>   | <b>2.19</b>       | <b>2.08</b>       | <b>1.84</b>       | <b>1.62</b>       | <b>1.56</b>       |
| <b>Basic Earnings Per Share—Total <sup>(1)</sup></b>                   | <b>2.19</b>       | <b>2.08</b>       | <b>1.84</b>       | <b>1.62</b>       | <b>1.58</b>       |
| <b>Diluted Earnings Per Share—Continuing Operations <sup>(1)</sup></b> | <b>2.17</b>       | <b>2.06</b>       | <b>1.82</b>       | <b>1.61</b>       | <b>1.56</b>       |
| <b>Diluted Earnings Per Share—Total <sup>(1)</sup></b>                 | <b>2.17</b>       | <b>2.06</b>       | <b>1.82</b>       | <b>1.61</b>       | <b>1.58</b>       |
| <b>Return on Average Common Equity <sup>(2)</sup></b>                  | <b>11.6%</b>      | <b>11.5%</b>      | <b>10.6%</b>      | <b>9.8%</b>       | <b>10.1%</b>      |
| <b>Dividends Per Common Share</b>                                      | <b>1.40</b>       | <b>1.34</b>       | <b>1.28</b>       | <b>1.25</b>       | <b>1.23</b>       |
| <b>Dividend Payout Ratio</b>                                           | <b>65%</b>        | <b>65%</b>        | <b>70%</b>        | <b>78%</b>        | <b>78%</b>        |
| <b>Common Shares Outstanding—Year End</b>                              | <b>40,158</b>     | <b>39,665</b>     | <b>39,557</b>     | <b>39,348</b>     | <b>37,857</b>     |
| <b>Number of Common Shareholders <sup>(3)</sup></b>                    | <b>12,361</b>     | <b>12,661</b>     | <b>13,053</b>     | <b>13,805</b>     | <b>14,062</b>     |

<sup>(1)</sup> Based on average number of shares outstanding.

<sup>(2)</sup> Earnings available for common shares divided by the 13-month average of month-end common equity balances.

<sup>(3)</sup> Holders of record at year end.

## ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

### OVERVIEW

Otter Tail Corporation and its subsidiaries form a diverse group of businesses with operations classified into three segments: Electric, Manufacturing and Plastics. Our primary financial goals are to maximize earnings and cash flows and to allocate capital profitably toward growth opportunities that will increase shareholder value. Meeting these objectives enables us to preserve and enhance our financial capability by maintaining desired capitalization ratios and a strong interest coverage position and preserving investment grade credit ratings on outstanding securities, which, in the form of lower interest rates, benefits both our customers and shareholders.

Our strategy is to continue to grow our largest business, the regulated electric utility, which will lower our overall risk, create a more predictable earnings stream, improve our credit quality and preserve our ability to fund the dividend. Over time, we expect the electric utility business will provide approximately 75% to 85% of our overall earnings. We expect our manufacturing and plastic pipe businesses will provide 15% to 25% of our earnings and will continue to be a fundamental part of our strategy.

The actual mix of earnings in 2019, 2018 and 2017 was 68%, 66% and 68%, respectively, from our electric utility business and 32%, 34% and 32%, respectively, from our manufacturing and plastic pipe businesses, including unallocated corporate costs.

We expect that reliable utility performance along with rate base investment opportunities over the next five years will provide us with a strong base of revenues, earnings and cash flows. We also look to our manufacturing and plastic pipe companies to provide organic growth as well. Organic, internal growth comes from new products and services, market expansion and increased efficiencies. We expect much of our growth in these businesses in the next few years will come from utilizing expanded plant capacity from capital investments made in previous years. We will also evaluate opportunities to allocate capital to potential acquisitions in our Manufacturing and Plastics segments. We are a committed long-term owner and therefore we do not acquire companies in pursuit of short-term gains. However, we will divest operating companies that no longer fit into our strategy and risk profile over the long term.

Major growth strategies and initiatives in our future include:

- ▶ Planned capital budget expenditures of approximately \$984 million for the years 2020 through 2024, of which \$897 million is for capital projects at Otter Tail Power Company (OTP), including:
  - \$260 million for renewable wind and solar energy generation and conservation, including the Merricourt Wind Energy Center (Merricourt) scheduled for completion in 2020, the exercise of a purchase option to transfer the Ashtabula III wind farm to OTP in 2022, an investment in solar generation in 2023 and routine wind-power replacement projects.
  - \$169 million for numerous potential technology and infrastructure projects to transform future operations, including automated metering, telecommunications, geographic information systems, work and asset management systems, financial information systems, system infrastructure reliability improvements, outage management systems, and storage projects.
  - \$134 million for routine distribution plant replacement projects.
  - \$117 million for transmission assets including new construction and routine replacement projects.
  - \$99 million for the Astoria Station natural gas-fired generation plant to replace Hoot Lake Plant capacity.
- ▶ Continued investigation and evaluation of organic growth opportunities and evaluation of opportunities to allocate capital to potential acquisitions in our Manufacturing and Plastics segments.

In 2019:

- ▶ Our Electric segment net income increased 8.5% to \$59.0 million from \$54.4 million in 2018.
- ▶ Our Manufacturing segment net income increased 0.5% to \$12.9 million from \$12.8 million in 2018.
- ▶ Our Plastics segment net income decreased 13.6% to \$20.6 million from \$23.8 million in 2018.
- ▶ Our net cash from operations was \$185.0 million compared with \$143.4 million in 2018.
- ▶ Capital expenditures at OTP totaled \$187.4 million as work was completed on the Big Stone South-Ellendale Multi-Value Transmission Project (MVP) and OTP started construction on both Merricourt and Astoria Station.
- ▶ OTP issued \$100 million aggregate principal amount of its senior unsecured notes in a private placement. OTP used a portion of the \$100 million proceeds from the issuance to repay \$69.9 million of existing indebtedness under the OTP Credit Agreement, primarily incurred to fund OTP capital expenditures, and will use the remainder of the proceeds to pay for additional capital expenditures and for other general purposes.
- ▶ We paid out \$55.7 million in common dividends in 2019.

The following table summarizes our consolidated results of operations for the years ended December 31:

| <i>(in thousands)</i>    | 2019       | 2018       |
|--------------------------|------------|------------|
| Operating Revenues:      |            |            |
| Electric                 | \$ 459,048 | \$ 450,198 |
| Manufacturing            | 277,204    | 268,409    |
| Plastics                 | 183,251    | 197,840    |
| Total Operating Revenues | \$ 919,503 | \$ 916,447 |
| Net Income (Loss):       |            |            |
| Electric                 | \$ 59,046  | \$ 54,431  |
| Manufacturing            | 12,899     | 12,839     |
| Plastics                 | 20,572     | 23,819     |
| Corporate                | (5,670)    | (8,744)    |
| Total Net Income         | \$ 86,847  | \$ 82,345  |

Electric segment revenues increased \$8.8 million (2.0%) due to an \$18.2 million (4.7%) increase in retail sales revenue, resulting mainly from higher rates and increased rider revenues, partially offset by decreases in transmission services and wholesale sales revenue. Manufacturing segment revenues increased \$8.8 million (3.3%). Revenues at BTD Manufacturing, Inc. (BTD) increased \$9.5 million, with increased parts sales to customers in all of BTD's end-market manufacturers except energy. Plastics segment revenues decreased \$14.6 million (7.4%) due to decreased sales volume and lower pipe prices.

The \$4.5 million increase in net income in 2019 compared with 2018 reflects the following:

- ▶ A \$4.6 million increase in Electric segment net income from increased retail revenue due to increases in transmission rider revenues, general and interim rate increases in North Dakota and South Dakota and a reduction in power plant maintenance expenses.
- ▶ A \$0.1 million increase in Manufacturing segment net income with increased sales volumes and revenues at BTD being mostly offset by lower sales and reduced margins at T.O. Plastics.
- ▶ A \$3.2 million decrease in Plastics segment net income resulted from reduced sales and lower margins.
- ▶ Corporate net losses decreased \$3.1 million mainly as a result of higher investment income, increased tax savings and a reduction in contributions to our charitable foundation after our initial \$2.0 million funding in 2018.

Following is a more detailed analysis of our operating results by business segment for the years ended December 31, 2019 and 2018, followed by a discussion of our financial position at the end of 2019 and our outlook for 2020.

## RESULTS OF OPERATIONS

This discussion and analysis should be read in conjunction with our consolidated financial statements and related notes. See note 2 to consolidated financial statements included in this report on Form 10-K for additional information on our lines of business, locations of operations and principal products and services. For a comparison of fiscal year 2018 against fiscal year 2017, see Part II, Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our report on Form 10-K for the fiscal year ended December 31, 2018, filed with the SEC on February 22, 2019 and incorporated by reference into this report on Form 10-K.

**Intersegment Eliminations**—Amounts presented in the following segment tables for 2019 and 2018 operating revenues, cost of goods sold, and other nonelectric operating expenses will not agree with amounts presented in the consolidated statements of income due to the elimination of intersegment transactions. The amounts of intersegment eliminations by income statement line item are listed below:

| <b>Intersegment Eliminations</b> (in thousands) | <b>2019</b> | <b>2018</b> |
|-------------------------------------------------|-------------|-------------|
| Operating Revenues:                             |             |             |
| Electric                                        | \$ 49       | \$ 57       |
| Product Sales                                   | 6           | —           |
| Cost of Products Sold                           | 34          | 21          |
| Other Nonelectric Expenses                      | 21          | 36          |

## ELECTRIC

The following table summarizes the results of operations for our Electric segment for the years ended December 31:

|                                                                | <b>2019</b> | <b>% change</b> | <b>2018</b> |
|----------------------------------------------------------------|-------------|-----------------|-------------|
| Retail Sales Revenues from Contracts with Customers            | \$ 405,446  | 4               | \$ 388,690  |
| Changes in Accrued Revenues under Alternative Revenue Programs | 1,032       | 335             | (439)       |
| Total Retail Sales Revenue                                     | \$ 406,478  | 5               | \$ 388,251  |
| Transmission Services Revenue                                  | 40,542      | (14)            | 46,947      |
| Wholesale Revenues—                                            |             |                 |             |
| Company Generation                                             | 5,007       | (35)            | 7,735       |
| Other Revenues                                                 | 7,070       | (3)             | 7,322       |
| Total Operating Revenues                                       | \$ 459,097  | 2               | \$ 450,255  |
| Production Fuel                                                | 59,256      | (11)            | 66,815      |
| Purchased Power—System Use                                     | 72,066      | 5               | 68,355      |
| Other Operation and Maintenance Expenses                       | 153,529     | (1)             | 155,534     |
| Depreciation and Amortization                                  | 60,044      | 7               | 55,935      |
| Property Taxes                                                 | 15,785      | 1               | 15,585      |
| Operating Income                                               | \$ 98,417   | 12              | \$ 88,031   |
| <b>Electric kilowatt-hour (kwh)</b>                            |             |                 |             |
| Sales (in thousands)                                           |             |                 |             |
| Retail kwh Sales                                               | 4,969,089   | —               | 4,976,960   |
| Wholesale kwh Sales—                                           |             |                 |             |
| Company Generation                                             | 198,569     | (27)            | 271,841     |
| <b>Heating Degree Days</b>                                     | 7,240       | 5               | 6,904       |
| <b>Cooling Degree Days</b>                                     | 392         | (31)            | 567         |

Results of operations for the Electric segment are impacted by fluctuations in weather conditions and the resulting demand for electricity for heating and cooling. The following table shows heating and cooling degree days as a percent of normal.

|                     | <b>2019</b> | <b>2018</b> |
|---------------------|-------------|-------------|
| Heating Degree Days | 115.6%      | 111.0%      |
| Cooling Degree Days | 85.0%       | 123.5%      |

The following table summarizes the estimated effect on diluted earnings per share of the difference in retail kwh sales under actual weather conditions and expected retail kwh sales under normal weather conditions in 2019 and 2018, and between years.

|                                      | <b>2019 vs Normal</b> | <b>2019 vs 2018</b> | <b>2018 vs Normal</b> |
|--------------------------------------|-----------------------|---------------------|-----------------------|
| Effect on Diluted Earnings Per Share | \$ 0.078              | \$ 0.005            | \$ 0.073              |

### 2019 Compared with 2018

The \$18.2 million increase in retail revenue includes:

- ▶ A \$10.4 million increase in transmission cost recovery revenues due to recent investments in transmission infrastructure and transmission costs not currently recovered in base rates.
- ▶ A \$2.4 million increase in Minnesota Renewable Resource Adjustment (RRA) rider revenues due to increased cost recovery requirements resulting from the expiration of federal production tax credits (PTCs) in November 2018 on a company-owned wind farm.
- ▶ A \$2.3 million increase in retail revenue related to the recovery of fuel and purchased power costs incurred to serve retail customers.



- ▶ A \$1.9 million increase in retail revenue in South Dakota due to the reversal of a tax refund provision in connection with OTP's 2018 South Dakota rate case settlement agreement.
- ▶ A \$1.4 million increase in average electric prices mainly related to interim and final rate increases in South Dakota.
- ▶ A \$0.9 million increase in revenue related to the establishment of a generation cost recovery rider in North Dakota in 2019 to provide for a return on funds invested in Astoria Station during its construction phase.
- ▶ A \$0.3 million increase in revenue related to the recovery of increased conservation improvement program expenditures in 2019.
- ▶ A \$0.3 million increase in revenue mainly driven by a 4.9% increase in heating degree days in 2019 partially offset by a 30.9% decrease in cooling degree days between the years.

These items were partially offset by:

- ▶ A \$1.8 million decrease in retail revenue due to a decrease in kwh sales to residential customers.

Transmission services revenues decreased \$6.4 million mainly due to a \$5.0 million decrease associated with reductions in capital spending and collections through the Midcontinent Independent System Operator, Inc. (MISO) tariff. OTP also recorded an additional \$1.4 million estimated refund obligation due to a November 21, 2019 FERC ruling related to the methodology used to determine the Return on Equity (ROE) component of the transmission rate under the MISO tariff. This is mainly based on a reduced ROE from 10.82% to 10.38% for the period from September 28, 2016 through December 31, 2019. The reduced ROE is based on a newly established 9.88% ROE plus the 50-point Regional Transmission Organization adder granted by the FERC on January 5, 2015. The FERC ruling is subject to rehearing requests.

Wholesale electric revenues decreased \$2.7 million resulting from a 27.0% decrease in wholesale kwh sales due to fewer opportunities for wholesale sales as Coyote Station was offline during the second quarter of 2019 due to an extended maintenance outage and Hoot Lake Plant Unit 2 was offline for maintenance and repairs in June and July 2019. The decrease in revenues also resulted from decreased regional market demand in the third quarter of 2019 due to cooler summer weather, which also drove down wholesale electricity prices.

Production fuel costs decreased \$7.6 million mainly as a result of a 16.4% decrease in kwhs generated from our fuel-burning plants due to the maintenance outage at Coyote Station and due to maintenance and repairs at Hoot Lake Plant as noted above. The decrease in fuel costs related to the decrease in generation was partially offset by a 6.1% increase in the cost of fuel per kwh generated at OTP's fuel-burning plants. The increased cost-per-kwh generated is mostly due to the absorption of Coyote Creek Mining Company's fixed coal mining costs on less delivered fuel to Coyote Station during its planned spring 2019 maintenance outage.

The cost of purchased power to serve retail customers increased \$3.7 million due to a 23.1% increase in kwhs purchased as a result of purchasing replacement power during the maintenance outages at Coyote Station and Hoot Lake Plant. The increase in kwh purchases was partially offset by a 5.1% decrease in kwh purchases in the fourth quarter of 2019 related to Big Stone Plant's availability during the fourth quarter of 2019 compared to the same period last year when the plant was down for scheduled maintenance. The increased costs due to the increase in kwhs purchased were partially mitigated by a 14.4% decrease in the cost per kwh purchased resulting from lower wholesale energy prices in 2019.

Electric operating and maintenance expenses decreased \$2.0 million due to:

- ▶ A \$3.3 million decrease in external service costs at Big Stone Plant primarily related to its fall 2018 maintenance outage.
- ▶ A \$1.1 million decrease in expenses for vegetation and transmission line maintenance.
- ▶ A \$0.8 million decrease in software support costs and regulatory filing fees.
- ▶ A \$0.7 million reduction in employee benefits mainly related to decreased health insurance costs.
- ▶ A \$0.5 million decrease in expense related to an increase in overhead cost capitalization due to increased capital spending in 2019.
- ▶ A \$0.4 million decrease in pollution control expenses resulting from decreases in generation at both Coyote Station and Hoot Lake Plant during their 2019 maintenance outages.

These items were partially offset by:

- ▶ A \$2.4 million increase in costs related to Coyote Station's 2019 extended maintenance outage.
- ▶ A \$1.4 million increase in MISO transmission services expenses due to an increase in third-party MVPs in 2019.
- ▶ A \$0.7 million increase in costs at Hoot Lake Plant due to 2019 turbine repairs.
- ▶ A \$0.3 million increase in conservation program expenditures in 2019.

Depreciation expense increased \$4.1 million due to capital additions including the Big Stone South-Ellendale 345kV transmission line energized in February 2019, the new customer information system put in service in 2019 and other recent transmission plant upgrades.

Property tax expense increased \$0.2 million due to capital additions, mainly transmission assets, in South Dakota and Minnesota.

## MANUFACTURING

The following table summarizes the results of operations for our Manufacturing segment for the years ended December 31:

| (in thousands)                | 2019       | % change | 2018       |
|-------------------------------|------------|----------|------------|
| Operating Revenues            | \$ 277,204 | 3        | \$ 268,409 |
| Cost of Products Sold         | 215,179    | 5        | 205,699    |
| Other Operating Expenses      | 29,895     | 1        | 29,650     |
| Depreciation and Amortization | 14,261     | (4)      | 14,794     |
| Operating Income              | \$ 17,869  | (2)      | \$ 18,266  |

### 2019 Compared with 2018

The \$8.8 million increase in revenues in our Manufacturing segment includes the following:

- ▶ At BTD, revenues increased \$9.5 million due to growth in parts revenue of \$12.3 million from increased sales to customers in recreational vehicle, construction, industrial, agricultural, and lawn and garden end markets, partially offset by reduced sales in energy end markets. Included in the parts revenue increase is the pass through of higher material costs of \$0.7 million, with the remaining increase due to \$11.6 million in higher sales volume. The increase in parts revenue was partially offset by a \$2.8 million (31.9%) decrease in revenue from scrap metal sales due to a 28.2% decrease in scrap metal prices.
- ▶ At T.O. Plastics, revenues decreased \$0.7 million due to a \$0.7 million reduction in extrusion and other industrial sales, a \$0.6 million decrease in sales to a customer bringing more production in house and a \$0.2 million reduction in sales of horticultural containers, partially offset by a \$0.5 million increase in life science product sales and a \$0.3 million increase in sales of scrap material.

The \$9.5 million increase in cost of products sold in our Manufacturing segment includes the following:

- ▶ Cost of products sold at BTD increased \$8.4 million, including \$11.8 million in increased material costs with \$11.1 million due to the increased sales volume and \$0.7 million passed through to customers. The increase in material costs combined with a \$0.7 million increase in overhead costs was partially offset by a \$4.1 million increase in reimbursements of tooling costs from customers.
- ▶ Cost of products sold at T.O. Plastics increased \$1.1 million mainly due to increased labor costs driven by increased production hours and by wage increases. T.O. Plastics' gross margin percentage decreased from 2018 to 2019 as a result of a customer's decision to bring more production in house.

The \$0.5 million decrease in depreciation in our Manufacturing segment includes a decrease of \$0.4 million at BTD as a result of certain assets reaching the ends of their depreciable lives.

## PLASTICS

The following table summarizes the results of operations for our Plastics segment for the years ended December 31:

| (in thousands)                | 2019       | % change | 2018       |
|-------------------------------|------------|----------|------------|
| Operating Revenues            | \$ 183,257 | (7)      | \$ 197,840 |
| Cost of Products Sold         | 139,974    | (6)      | 148,881    |
| Other Operating Expenses      | 11,393     | (8)      | 12,323     |
| Depreciation and Amortization | 3,451      | (7)      | 3,719      |
| Operating Income              | \$ 28,439  | (14)     | \$ 32,917  |

### 2019 Compared with 2018

Plastics segment revenues decreased \$14.6 million due to a 4.2% decrease in pounds of polyvinyl chloride (PVC) pipe sold and a 3.3% decrease in PVC pipe prices. Wet weather conditions across our sales territory negatively impacted 2019 sales along with lower demand in the Midwest and West Coast states. Cost of products sold decreased \$8.9 million due to the decrease in sales volume and a 1.9% decrease in the cost per pound of pipe sold. The decrease in pipe prices net of the decrease in costs resulted in a 7.7% decrease in gross margin per pound of PVC pipe sold. Plastics segment operating expenses decreased \$0.9 million mainly due to a decrease in incentive compensation related to decreased operating income.

## CORPORATE

Corporate includes items such as corporate staff and overhead costs, the results of our captive insurance company and other items excluded from the measurement of operating segment performance. Corporate is not an operating segment. Rather, it is added to operating segment totals to reconcile to totals on our consolidated statements of income.

| (in thousands)                | 2019     | % change | 2018     |
|-------------------------------|----------|----------|----------|
| Other Operating Expenses      | \$ 9,515 | (1)      | \$ 9,607 |
| Depreciation and Amortization | 330      | 51       | 218      |

Corporate operating expenses decreased \$0.1 million in 2019 as compared to 2018 due to the following:

- ▶ There was no contribution made in 2019 to the Otter Tail Corporation Foundation as compared to a \$2.0 million contribution in 2018.
- ▶ The decrease in charitable contributions was mostly offset by increases in stock incentive and health benefit costs not allocated to the operating business segments.

## CONSOLIDATED INTEREST CHARGES

| (in thousands)   | 2019      | % change | 2018      |
|------------------|-----------|----------|-----------|
| Interest Charges | \$ 31,411 | 3        | \$ 30,408 |

The \$1.0 million increase in interest charges in 2019 compared with 2018 is due to:

- ▶ A \$0.8 million increase in interest expense related to interest expense on the \$100 million in notes issued by OTP on October 10, 2019.
- ▶ A \$0.5 million increase in interest on short-term borrowings between the years resulting from a \$9.1 million increase in average short-term debt outstanding between the years and a 50 basis points increase in the average interest rate paid on short-term debt between periods, mainly as a result of an increase in Otter Tail Corporation's average short-term borrowings relative to a decrease in OTP's average short-term borrowings. Otter Tail Corporation's short-term borrowing rates are higher than OTP's short-term borrowing rates.
- ▶ A \$0.3 million increase in interest expense due to a full year of interest compared with 11 months of interest on the \$100 million in notes issued by OTP in February 2018.

These increases in interest expense were partially offset by a \$0.5 million increase in capitalized interest expense at OTP due to an increase in capital expenditures at OTP subject to interest capitalization.

## CONSOLIDATED NONSERVICE COST COMPONENTS OF POSTRETIREMENT BENEFITS

| (in thousands)                                        | 2019     | % change | 2018     |
|-------------------------------------------------------|----------|----------|----------|
| Nonservice Cost Components of Postretirement Benefits | \$ 4,293 | (22)     | \$ 5,509 |

The \$1.2 million decrease in nonservice cost components of postretirement benefits in 2019 compared with 2018 is mostly due to a decrease in pension plan nonservice costs, mainly actuarial loss amortization expenses, partially offset by interest cost increases on all postretirement benefit plans at Otter Tail Corporation and OTP.

## CONSOLIDATED OTHER INCOME

| (in thousands) | 2019     | % change | 2018     |
|----------------|----------|----------|----------|
| Other Income   | \$ 5,112 | 48       | \$ 3,461 |

The \$1.7 million increase in other income in 2019 compared with 2018 includes:

- ▶ A \$1.1 million increase in cash values of corporate-owned life insurance policies.
- ▶ A \$0.4 million increase in allowance for equity funds used during construction (AFUDC) on OTP construction work in progress.

## CONSOLIDATED INCOME TAXES

Income tax expense increased \$2.8 million to \$17.4 million in 2019 from \$14.6 million in 2018, mainly due to the expiration of federal PTCs on OTP's wind farms.

The following table provides a reconciliation of income tax expense calculated at the federal statutory rate on income before income taxes reported on our consolidated statements of income:

| For the Year Ended December 31,                                              |            |           |
|------------------------------------------------------------------------------|------------|-----------|
| (in thousands)                                                               | 2019       | 2018      |
| Income Before Income Taxes                                                   | \$ 104,288 | \$ 96,933 |
| Tax Computed at the Company's Federal Statutory Rate (21% for 2019 and 2018) | \$ 21,901  | \$ 20,356 |
| Increases (Decreases) in Tax from:                                           |            |           |
| State Income Taxes Net of Federal                                            |            |           |
| Income Tax Expense                                                           | 3,561      | 5,210     |
| Differences Reversing in Excess of Federal Rates                             | (3,357)    | (3,432)   |
| Permanent Differences, R&D Tax Credits, Unitary Tax and Other Adjustments    | (1,315)    | (1,864)   |
| North Dakota Wind Tax Credit Amortization—Net of Federal Taxes               | (1,033)    | (1,033)   |
| Corporate-owned Life Insurance                                               | (749)      | (3)       |
| Excess Tax Deduction—Equity Method Stock Awards                              | (744)      | (708)     |
| Allowance for Funds Used During Construction—Equity                          | (501)      | (431)     |
| Employee Stock Ownership Plan Dividend Deduction                             | (281)      | (298)     |
| Investment Tax Credit Amortization                                           | (41)       | (98)      |
| Federal PTCs                                                                 | —          | (3,111)   |
| Total Income Tax Expense                                                     | \$ 17,441  | \$ 14,588 |
| Effective Income Tax Rate                                                    | 16.7%      | 15.0%     |

Federal PTCs are recognized as wind energy is generated based on a per kwh rate prescribed in applicable federal statutes. In November 2018, the eligibility period for OTP to earn federal PTCs on its currently energized wind farms ended. North Dakota wind energy credits are based on dollars invested in qualifying facilities and are being recognized on a straight-line basis over 25 years.

## IMPACT OF INFLATION

OTP operates under regulatory provisions that allow price changes in fuel and certain purchased power costs to be passed to most retail customers through automatic adjustments to its rate schedules under fuel clause adjustments. Other increases in the cost of electric service must be recovered through timely filings for electric rate increases with the appropriate regulatory agency.

Our Manufacturing and Plastics segments consist entirely of businesses whose revenues are not subject to regulation by ratemaking authorities. Increased operating costs are reflected in product or services pricing with any limitations on price increases determined by the marketplace. Raw material costs, labor costs, fuel and energy costs and interest rates are important components of costs for companies in these segments. Any or all of these components could be impacted by inflation or other pricing pressures, with a possible adverse effect on our profitability, especially where increases in these costs exceed price increases on finished products. In recent years, our operating companies have faced strong inflationary and other pricing pressures with respect to steel, fuel, resin, and health care costs, which have been partially mitigated by pricing adjustments.

## LIQUIDITY

The following table presents the status of our lines of credit as of December 31, 2019 and December 31, 2018:

| (in thousands)                          | Line Limit | In Use on<br>December 31, 2019 | Restricted due<br>to Outstanding<br>Letters of Credit | Available on<br>December 31, 2019 | Available on<br>December 31, 2018 |
|-----------------------------------------|------------|--------------------------------|-------------------------------------------------------|-----------------------------------|-----------------------------------|
| Otter Tail Corporation Credit Agreement | \$ 170,000 | \$ 6,000                       | \$ —                                                  | \$ 164,000                        | \$ 120,785                        |
| OTP Credit Agreement                    | 170,000    | —                              | 15,476                                                | 154,524                           | 160,316                           |
| Total                                   | \$ 340,000 | \$ 6,000                       | \$ 15,476                                             | \$ 318,524                        | \$ 281,101                        |

We believe we have the necessary liquidity to effectively conduct business operations for an extended period if needed. Our balance sheet is strong, and we are in compliance with our debt covenants. Financial flexibility is provided by operating cash flows, unused lines of credit, strong financial coverages, investment grade credit ratings and alternative financing arrangements such as leasing.

We believe our financial condition is strong and our cash, other liquid assets, operating cash flows, existing lines of credit, access to capital markets and borrowing ability because of investment-grade credit ratings, when taken together, provide adequate resources to fund ongoing operating requirements and future capital expenditures related to expansion of existing businesses and development of new projects. On May 3, 2018 we filed a shelf registration statement with the Securities and Exchange Commission (SEC) under which we may offer for sale, from time to time, either separately or together in any combination, equity, debt or other securities described in the shelf registration statement, which expires on May 3, 2021. On May 3, 2018, we also filed a shelf registration statement with the SEC for the issuance of up to 1,500,000 common shares until May 3, 2021, under the Company's Automatic Dividend Reinvestment and Share Purchase Plan (the Plan), which permits shares purchased by participants in the Plan to be either new issue common shares or common shares purchased in the open market. The Company began issuing common shares in the fourth quarter of 2019 to meet the requirements of the Plan rather than purchasing shares in the open market. On November 8, 2019, we entered into a Distribution Agreement with KeyBanc Capital Markets Inc. ("KeyBanc") under which we may offer and sell our common shares from time to time through KeyBanc, as our distribution agent, up to an aggregate sales price of \$75 million through an At-the-Market offering program. In the fourth quarter of 2019, we received proceeds of \$17,458,621 net of \$220,995 paid to KeyBanc from the issuance of 347,000 shares under this program.

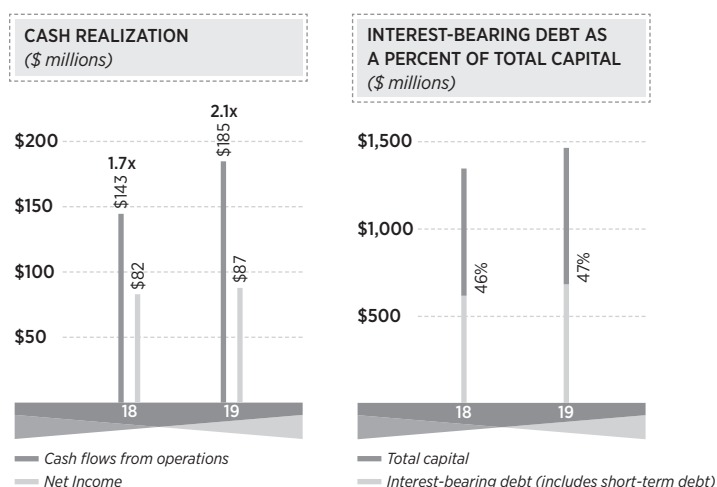
Equity and debt financing will be required in the period 2020 through 2024 given the expansion plans related to our Electric segment to fund construction of new rate base investments. Also, such financing will be required should we decide to reduce borrowings under our lines of credit or refund or retire early any of our presently outstanding debt, to complete acquisitions or for other corporate purposes. Our operating cash flows and access to capital markets can be impacted by macroeconomic factors outside our control. In addition, our borrowing costs can be impacted by changing interest rates on short-term and long-term debt and ratings assigned to us by independent rating agencies, which in part are based on certain credit measures such as interest coverage and leverage ratios.

The determination of the amount of future cash dividends to be declared and paid will depend on, among other things, our financial condition, improvement in earnings per share, cash flows from operations, the level of our capital expenditures and our future business prospects. As a result of certain statutory limitations or regulatory or financing agreements, restrictions could occur on the amount of distributions allowed to be made by our subsidiaries. See note 7 to consolidated financial statements included in this report on Form 10-K for additional information. The decision to declare a dividend is reviewed quarterly by the board of directors. On February 4, 2020 our board of directors increased the quarterly dividend from \$0.35 to \$0.37 per common share.

### 2019 Cash Flows Compared with 2018 Cash Flows

Net cash provided by operating activities was \$185.0 million in 2019 compared with \$143.4 million in 2018. Primary reasons for the \$41.6 million increase in net cash provided by operations between the periods were:

- ▶ A \$23.1 million decrease in cash used for working capital items mainly due to significant changes in inventories, accounts payable and accounts receivable between the periods.
  - Inventory balances decreased by \$8.4 million during 2019 compared to an increase of \$18.2 million in 2018. This change is due to decreases in raw material costs, primarily steel, from 2018 to 2019 and lower sales volumes in the Plastics segment during 2019 compared to 2018.
  - The level of increases in accounts receivable declined by \$6.7 million from 2018 to 2019, primarily due to higher raw material costs reflected in customer billings in 2018 when compared with 2019. Our average collection period on a consolidated basis remained steady at approximately 31 days.
  - The reductions in cash used for inventories and accounts receivable between the years were partially offset by a \$15.2 million reduction in cash from an increase in accounts payable and other current liabilities in 2018 compared with essentially no change in these items in 2019. The primary reason for the increase in accounts payable and other current liabilities in 2018 was due to the recording of refunds for the TCJA and interim rate refunds in North Dakota and South Dakota.



- ▶ An \$11.2 million increase from changes in regulatory asset and liability balances related to fuel cost and Minnesota environmental cost recovery riders included in changes in deferred debits and other assets and changes in noncurrent liabilities and deferred credits.
- ▶ A \$4.5 million increase in net income.
- ▶ A \$3.4 million increase in depreciation and amortization expense.
- ▶ A \$1.5 million increase in non-cash stock-based compensation expense in 2019.

These items were partially offset by:

- ▶ A \$2.5 million increase in discretionary contributions to the corporation's funded pension plan in 2019.

Net cash used in investing activities was \$209.5 million in 2019 compared with \$107.4 million in 2018. The \$102.1 million increase in cash used for investing activities includes a \$101.9 million increase in capital expenditures, mainly due to a \$100.1 million increase in cash used for capital expenditures at OTP related to construction of Merricourt and Astoria Station projects and various transmission projects and upgrades. Cash used for capital expenditures at T.O. Plastics increased \$1.4 million between periods mainly related to the replacement of a warehouse roof that collapsed during a snowstorm in March 2019.

Net cash provided by financing activities was \$44.8 million in 2019 compared with \$51.4 million in cash used for financing activities in 2018. The \$96.2 million increase in cash flows from financing activities includes an \$81.2 million reduction in repayments of short-term debt and \$20.3 million in proceeds from the issuance of stock in 2019 as we began issuing new common shares under our At-the-Market offering program launched in November 2019 and also began issuing new common shares to fulfill the requirements of our Automatic Dividend Reinvestment and Share Purchase Plan in the fourth quarter of 2019 to raise capital to fund OTP's major construction projects.

## CAPITAL REQUIREMENTS

### CAPITAL EXPENDITURES

We have a capital expenditure program for expanding, upgrading and improving our plants and operating equipment. Typical uses of cash for capital expenditures are investments in electric generation facilities and environmental upgrades, transmission and distribution lines, manufacturing facilities and upgrades, equipment used in the manufacturing process, and computer hardware and information systems. The capital expenditure program is subject to review and is revised in light of changes in demands for energy, technology, environmental laws, regulatory changes, business expansion opportunities, the costs of labor, materials and equipment and our consolidated financial condition.

Cash used for consolidated capital expenditures was \$207.4 million in 2019, \$105.4 million in 2018 and \$132.9 million in 2017. Estimated capital expenditures for 2020 are \$385 million. Total capital expenditures for the five-year period 2020 through 2024 are estimated to be approximately \$984 million, including:

- ▶ \$260 million for renewable wind and solar energy generation and conservation, including Merricourt scheduled for completion in 2020, the exercise of a purchase option to transfer Ashtabula III wind farm to OTP in 2022, an investment in solar generation in 2023 and routine wind-power replacement projects.

- ▶ \$169 million for numerous potential technology and infrastructure projects to transform future operations, including automated metering, telecommunications, geographic information systems, work and asset management systems, financial information systems, system infrastructure reliability improvements, outage management systems, and storage projects.
- ▶ \$134 million for routine distribution plant replacement projects.
- ▶ \$117 million for transmission assets including new construction and routine replacement projects.
- ▶ \$99 million for the Astoria Station natural gas-fired generation plant to replace Hoot Lake Plant capacity.
- ▶ \$87 million in our Manufacturing and Plastics segments mainly for replacement of existing equipment.

The breakdown of 2017, 2018 and 2019 actual cash used for capital expenditures and 2020 through 2024 estimated capital expenditures by segment is as follows:

| (in millions) | 2017   | 2018   | 2019   | 2020  | 2021  | 2022  | 2023  | 2024  | 2020-2024 |
|---------------|--------|--------|--------|-------|-------|-------|-------|-------|-----------|
| Electric      | \$ 119 | \$ 87  | \$ 187 | \$369 | \$124 | \$162 | \$140 | \$101 | \$ 897    |
| Manufacturing | 10     | 13     | 14     | 12    | 14    | 14    | 15    | 13    | 67        |
| Plastics      | 4      | 4      | 6      | 4     | 4     | 4     | 4     | 4     | 20        |
| Corporate     | —      | 1      | —      | —     | —     | —     | —     | —     | —         |
| Total         | \$ 133 | \$ 105 | \$ 207 | \$385 | \$142 | \$180 | \$159 | \$118 | \$ 984    |

### CONTRACTUAL OBLIGATIONS

The following table summarizes our contractual obligations at December 31, 2019 and the effect these obligations are expected to have on our liquidity and cash flow in future periods.

| (in millions)                                         | Total    | Less than 1 Year | 1-3 Years | 3-5 Years | More than 5 Years |
|-------------------------------------------------------|----------|------------------|-----------|-----------|-------------------|
| Debt Obligations                                      | \$ 698   | \$ 6             | \$ 170    | \$ —      | \$ 522            |
| Coal Contracts                                        | 596      | 23               | 46        | 48        | 479               |
| Interest on Debt Obligations                          | 468      | 33               | 58        | 48        | 329               |
| Other Purchase Obligations (including land easements) | 327      | 270              | 49        | 1         | 7                 |
| Capacity and Energy Requirements                      | 205      | 25               | 25        | 23        | 132               |
| Postretirement Benefit Obligations                    | 115      | 5                | 11        | 13        | 86                |
| Right-of-Use Asset Operating Lease Obligations        | 26       | 5                | 9         | 7         | 5                 |
| Total Contractual Cash Obligations                    | \$ 2,435 | \$ 367           | \$ 368    | \$ 140    | \$1,560           |

Coal contract obligations are based on estimated coal consumption and costs for the delivery of coal to Coyote Station from Coyote Creek Mining Company under the lignite sales agreement that ends in 2040. Postretirement Benefit Obligations include estimated cash expenditures for the payment of retiree medical and life insurance benefits and supplemental pension benefits under our unfunded Executive Survivor and Supplemental Retirement Plan, but do not include amounts to fund our noncontributory funded pension plan, as we are not currently required to make a contribution to that plan.



## CAPITAL RESOURCES

Financial flexibility is provided by operating cash flows, unused lines of credit, strong financial coverages, investment grade credit ratings, and alternative financing arrangements such as leasing. Equity or debt financing will be required in the period 2020 through 2024 given the expansion plans related to our Electric segment to fund construction of new rate base and transmission investments, in the event we decide to reduce borrowings under our lines of credit, to refund or retire early any of our presently outstanding debt, to complete acquisitions or for other corporate purposes. There can be no assurance that any additional required financing will be available through bank borrowings, debt or equity financing or otherwise, or that if such financing is available, it will be available on terms acceptable to us. If adequate funds are not available on acceptable terms, our businesses, results of operations and financial condition could be adversely affected.

On May 3, 2018 we filed a shelf registration statement with the SEC under which we may offer for sale, from time to time, either separately or together in any combination, equity, debt or other securities described in the shelf registration statement, which expires on May 3, 2021. On May 3, 2018 we also filed a shelf registration statement with the SEC for the issuance of up to 1,500,000 common shares under our Automatic Dividend Reinvestment and Share Purchase Plan (the Plan), which permits shares purchased by participants in the Plan to be either new issue common shares or common shares purchased in the open market. The shelf registration for the Plan expires on May 3, 2021. On November 8, 2019 the Company entered into a Distribution Agreement with KeyBanc under which we may offer and sell our common shares from time to time through KeyBanc, as our distribution agent, up to an aggregate sales price of \$75 million through an At-the-Market offering program.

### DEBT

Following are brief descriptions of the short-term and long-term credit and debt agreements currently in place at Otter Tail Corporation and OTP. See note 10 to our consolidated financial statements included in this report on Form 10-K for additional information on the terms, provisions, restrictions and covenants under these agreements.

### SHORT-TERM DEBT

On October 29, 2012 we entered into a Third Amended and Restated Credit Agreement (the OTC Credit Agreement), which provided for an unsecured \$130 million revolving credit facility that could be increased subject to certain terms and conditions. On October 31, 2019 the OTC Credit Agreement was amended to extend its expiration date by one year from October 31, 2023 to October 31, 2024, and to increase the amount of the revolving credit facility to \$170 million. The amendment also provides that this facility can be increased to \$290 million subject to certain terms and conditions. Borrowings under the OTC Credit Agreement bear interest at LIBOR plus 1.50%, subject to adjustment based on our senior unsecured credit ratings or the issuer rating if a rating is not provided for the senior unsecured credit.

On October 29, 2012 OTP entered into a Second Amended and Restated Credit Agreement (the OTP Credit Agreement), providing for an unsecured \$170 million revolving credit facility that may be increased to \$250 million on the terms and subject to the conditions described in the OTP Credit Agreement. On October 31, 2019 the OTP Credit Agreement was amended to extend its expiration date by one year from October 31, 2023 to October 31, 2024. OTP can draw on this credit facility to support the working capital needs and other capital requirements of its operations, including letters of credit in an aggregate amount not to exceed \$50 million outstanding at any time. Borrowings under this line of credit bear interest at LIBOR plus 1.25%, subject to adjustment based on the ratings of OTP's senior unsecured debt or the issuer rating if a rating is not provided for the senior unsecured debt.

### LONG-TERM DEBT

On September 12, 2019, OTP entered into a Note Purchase Agreement (the 2019 Note Purchase Agreement) with the purchasers named therein, pursuant to which OTP agreed to issue to the purchasers, in a private placement transaction, \$175 million aggregate principal amount of OTP's senior unsecured notes consisting of (a) \$10,000,000 aggregate principal amount of its 3.07% Series 2019A Senior Unsecured Notes due October 10, 2029 (the Series 2019A Notes), (b) \$26,000,000 aggregate principal amount of its 3.52% Series 2019B Senior Unsecured Notes due October 10, 2039 (the Series 2019B Notes), (c) \$64,000,000 aggregate principal amount of its 3.82% Series 2019C Senior Unsecured Notes due October 10, 2049 (the Series 2019C Notes), (d) \$10,000,000 aggregate principal amount of its 3.22% Series 2020A Senior Unsecured Notes due February 25, 2030 (the Series 2020A Notes), (e) \$40,000,000 aggregate principal amount of its 3.22% Series 2020B Senior Unsecured Notes due August 20, 2030 (the Series 2020B Notes), (f) \$10,000,000 aggregate principal amount of its 3.62% Series 2020C Senior Unsecured Notes due February 25, 2040 (the Series 2020C Notes) and (g) \$15,000,000 aggregate principal amount of its 3.92% Series 2020D Senior Unsecured Notes due February 25, 2050 (the Series 2020D Notes).

On October 10, 2019 OTP issued the Series 2019A Notes, Series 2019B Notes and Series 2019C Notes (the 2019 Notes) pursuant to the 2019 Note Purchase Agreement. OTP used a portion of the \$100 million proceeds from the issuance to repay \$69.9 million of existing indebtedness under the OTP Credit Agreement, primarily incurred to fund OTP capital expenditures, and intends to use the remainder of the proceeds to pay for additional capital expenditures and for OTP general corporate purposes. The Series 2020A Notes, the Series 2020C Notes and the Series 2020D Notes are expected to be issued on February 25, 2020 and the Series 2020B Notes are expected to be issued on August 20, 2020, subject to the satisfaction of certain customary conditions to closing.

On February 27, 2018 OTP issued \$100 million aggregate principal amount of its 4.07% Series 2018A Senior Unsecured Notes due February 7, 2048 (the 2018 Notes) pursuant to a Note Purchase Agreement dated as of November 14, 2017 (the 2018 Note Purchase Agreement). Proceeds from the 2018 Notes were used to repay outstanding borrowings under the OTP Credit Agreement.

On December 13, 2016 Otter Tail Corporation issued \$80 million aggregate principal amount of its 3.55% Guaranteed Senior Notes due December 15, 2026 (the 2026 Notes) pursuant to a Note Purchase Agreement dated as of September 23, 2016 (the 2016 Note Purchase Agreement). Our obligations under the 2016 Note Purchase Agreement and the 2026 Notes are guaranteed by our Material Subsidiaries (as defined in the 2016 Note Purchase Agreement, but specifically excluding OTP).

On February 27, 2014 OTP issued \$60 million aggregate principal amount of its 4.68% Series A Senior Unsecured Notes due February 27, 2029 and \$90 million aggregate principal amount of its 5.47% Series B Senior Unsecured Notes due February 27, 2044 pursuant to a Note Purchase Agreement dated as of August 14, 2013 (the 2013 Note Purchase Agreement).

On December 1, 2011 OTP issued \$140 million aggregate principal amount of its 4.63% Senior Unsecured Notes due December 1, 2021 pursuant to a Note Purchase Agreement dated as of July 29, 2011 (the 2011 Note Purchase Agreement).

OTP also has outstanding its \$122 million senior unsecured notes issued in three series consisting of \$30 million aggregate principal amount of 6.15% Senior Unsecured Notes, Series B, due 2022; \$42 million aggregate principal amount of 6.37% Senior Unsecured Notes, Series C, due 2027; and \$50 million aggregate principal amount of 6.47% Senior Unsecured Notes, Series D, due 2037 (collectively, the 2007 Notes). The 2007 Notes were issued pursuant to a Note Purchase Agreement dated as of August 20, 2007 (the 2007 Note Purchase Agreement).

## FINANCIAL COVENANTS

We were in compliance with the financial covenants in our debt agreements as of December 31, 2019.

No Credit or Note Purchase Agreement contains any provisions that would trigger an acceleration of the related debt as a result of changes in the credit rating levels assigned to the related obligor by rating agencies.

Our borrowing agreements are subject to certain financial covenants. Specifically:

- ▶ Under the OTC Credit Agreement and the 2016 Note Purchase Agreement, we may not permit the ratio of our Interest-bearing Debt to Total Capitalization to be greater than 0.60 to 1.00 or permit our Interest and Dividend Coverage Ratio to be less than 1.50 to 1.00 (each measured on a consolidated basis). As of December 31, 2019, our Interest and Dividend Coverage Ratio calculated under the requirements of the OTC Credit Agreement and the 2016 Note Purchase Agreement was 4.51 to 1.00.
- ▶ Under the 2016 Note Purchase Agreement, we may not permit our Priority Indebtedness to exceed 10% of our Total Capitalization.
- ▶ Under the OTP Credit Agreement, OTP may not permit the ratio of its Interest-bearing Debt to Total Capitalization to be greater than 0.60 to 1.00.
- ▶ Under the 2007 Note Purchase Agreement and 2011 Note Purchase Agreement, OTP may not permit the ratio of its Consolidated Debt to Total Capitalization to be greater than 0.60 to 1.00 or permit its Interest and Dividend Coverage Ratio to be less than 1.50 to 1.00, in each case as provided in the related borrowing agreement, and OTP may not permit its Priority Debt to exceed 20% of its Total Capitalization, as provided in the related agreement. As of December 31, 2019, OTP's Interest and Dividend Coverage Ratio and Interest Charges Coverage Ratio, calculated under the requirements of the 2007 Note Purchase Agreement and 2011 Note Purchase Agreement, was 3.71 to 1.00.
- ▶ Under the 2013 Note Purchase Agreement, the 2018 Note Purchase Agreement, and the 2019 Note Purchase Agreement, OTP may not permit its Interest-bearing Debt to exceed 60% of Total Capitalization and may not permit its Priority Indebtedness to exceed 20% of its Total Capitalization, in each case as provided in the related agreement.

As of December 31, 2019, our ratio of Interest-bearing Debt to Total Capitalization was 0.47 to 1.00 on a consolidated basis and 0.49 to 1.00 for OTP. Neither Otter Tail Corporation nor OTP had any Priority Indebtedness outstanding as of December 31, 2019.

## OFF-BALANCE-SHEET ARRANGEMENTS

We and our subsidiary companies have outstanding letters of credit totaling \$18.2 million, but our line of credit borrowing limits are only restricted by \$15.5 million in outstanding letters of credit. We do not have any other off-balance-sheet arrangements or any relationships with unconsolidated entities or financial partnerships. These entities are often referred to as structured finance special purpose entities or variable interest entities, which are established for the purpose of facilitating off-balance-sheet arrangements or for other contractually narrow or limited purposes. We are not exposed to any financing, liquidity, market or credit risk that could arise if we had such relationships.

## 2020 BUSINESS OUTLOOK

We anticipate 2020 diluted earnings per share to be in the range of \$2.22 to \$2.37. The midpoint of the 2020 earnings per share guidance reflects a 6% growth rate off 2019 diluted earnings per share. Our 2020 diluted earnings per share guidance also includes \$0.05 of dilution associated with the planned issuance of common equity under our At-the-Market Offering Program and Dividend Reinvestment and Employee Stock Purchase Plans to help fund our construction projects at OTP.

We have taken into consideration strategies for improving future operating results, the cyclical nature of some of our businesses, and current regulatory factors facing our Electric segment. We expect capital expenditures for 2020 to be \$385 million compared with actual cash used for capital expenditures of \$207 million in 2019. Our Electric Segment accounts for 96% of our 2020 planned capital expenditures. The increase in our planned expenditures is largely driven by the Merricourt Wind Energy Center and Astoria Station natural gas-fired electric plant rate base projects.

Segment components of our 2020 diluted earnings per share guidance range compared with 2019 actual earnings are as follows.

|                         | 2019 EPS<br>by Segment | 2020 EPS Guidance |           |
|-------------------------|------------------------|-------------------|-----------|
|                         |                        | Low               | High      |
| Electric                | \$ 1.48                | \$ 1.67           | \$ 1.70   |
| Manufacturing           | \$ 0.32                | \$ 0.31           | \$ 0.35   |
| Plastics                | \$ 0.51                | \$ 0.43           | \$ 0.47   |
| Corporate               | \$ (0.14)              | \$ (0.19)         | \$ (0.15) |
| <b>Total</b>            | \$ 2.17                | \$ 2.22           | \$ 2.37   |
| <b>Return on Equity</b> | 11.6%                  | 11.0%             | 11.7%     |

The following items contribute to our earnings guidance for 2020.

- ▶ We expect our Electric segment to provide approximately 75% of our consolidated earnings in 2020 with an increase over 2019 segment net income based on:
  - Capital spending on the Merricourt and Astoria Station rate base projects of \$178 million and \$81 million, respectively, in 2020. The Merricourt project has rider recovery mechanisms in place in Minnesota and South Dakota and in process for approval in North Dakota. The Astoria Station project has rider recovery mechanisms in place in South Dakota and North Dakota. This project earns AFUDC in Minnesota, is expected to be recovered through a rate case in Minnesota and has already been approved in our integrated resource plan.
  - Increased revenues related to \$22 million in anticipated capital spending for self-fund generator interconnection agreements.
  - No planned generation plant outages for 2020. Plant outage costs totaled \$3.1 million in 2019.

partially offset by:

- Normal weather in 2020. Weather favorably impacted 2019 earnings by \$0.08 per share compared to normal.
- Increased expenses caused in large part by a decrease in the discount rate used for the pension plan and a lower rate used for our long-term rate of return. The discount rate for 2020 is 3.47% compared with 4.50% for 2019. For each 25-basis point decline in the discount rate, pension expense increases approximately \$1,041,000. The assumed long-term rate of return for 2020 is 6.88% compared with 7.25% in 2019. Each 25-basis point decline in this rate equates to approximately \$734,000 in increased pension expense.
- Higher depreciation and property tax expense due to large capital projects being put into service.
- Increased interest costs associated with a full year's interest expense on the \$100 million of senior unsecured notes that were issued in October 2019 and interest on the \$35 million and \$40 million of senior unsecured notes expected to be issued in February and August of 2020, respectively.

- ▶ We expect net income from our Manufacturing segment to be flat compared with 2019 based on:
  - Slightly lower earnings at BTD due to an expected decline in sales driven mostly by lower sales volumes in the recreational vehicle markets. Scrap revenues are expected to decline slightly as well based on lower sales volumes with scrap prices staying flat between the years.
  - An increase in earnings from T.O. Plastics mainly driven by year-over-year sales growth in horticulture, life science and industrial markets.
  - Backlog for the manufacturing companies of approximately \$179 million for 2020 compared with \$211 million one year ago.
- Raw material price deflation is driving backlog down by \$19 million and the remaining \$13 million decrease in backlog is volume driven.
- ▶ We expect 2020 net income from our Plastics segment to be lower than 2019 based on lower expected operating margins in 2020. This is due to an expected decline in sale prices of pipe and flat year-over-year resin prices, partially offset by slightly higher sales volumes in 2020 compared to 2019.
- ▶ Corporate costs, net of tax, are expected to be higher in 2020 compared with 2019 primarily driven by higher short-term borrowing costs at the corporate level and higher income tax expense, partially offset by lower employee benefit and health care costs.

The following table shows our 2019 capital expenditures and 2020 through 2024 anticipated capital expenditures and electric utility average rate base.

| (in millions)                                   | 2019            | 2020            | 2021            | 2022            | 2023            | 2024            | Total         |
|-------------------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|---------------|
| <b>Capital Expenditures:</b>                    |                 |                 |                 |                 |                 |                 |               |
| Electric Segment:                               |                 |                 |                 |                 |                 |                 |               |
| Renewables and Natural Gas Generation           |                 | \$ 260          | \$ 18           | \$ 51           | \$ 30           | \$ —            | \$ 359        |
| Technology and Infrastructure                   |                 | 7               | 18              | 47              | 54              | 43              | 169           |
| Distribution Plant Replacements                 |                 | 22              | 27              | 34              | 25              | 26              | 134           |
| Transmission (includes replacements)            |                 | 61              | 26              | 8               | 13              | 9               | 117           |
| Other                                           |                 | 19              | 35              | 23              | 18              | 23              | 118           |
| <b>Total Electric Segment</b>                   | <b>\$ 187</b>   | <b>\$ 369</b>   | <b>\$ 124</b>   | <b>\$ 163</b>   | <b>\$ 140</b>   | <b>\$ 101</b>   | <b>\$ 897</b> |
| Manufacturing and Plastics Segments             | 20              | 16              | 18              | 17              | 19              | 17              | 87            |
| <b>Total Capital Expenditures</b>               | <b>\$ 207</b>   | <b>\$ 385</b>   | <b>\$ 142</b>   | <b>\$ 180</b>   | <b>\$ 159</b>   | <b>\$ 118</b>   | <b>\$ 984</b> |
| <b>Total Electric Utility Average Rate Base</b> | <b>\$ 1,170</b> | <b>\$ 1,418</b> | <b>\$ 1,573</b> | <b>\$ 1,634</b> | <b>\$ 1,690</b> | <b>\$ 1,739</b> |               |
| Rate Base Growth                                |                 | 21.2%           | 10.9%           | 3.9%            | 3.4%            | 2.9%            |               |

The capital expenditure plan for the 2020-2024 time period calls for Electric segment capital expenditures of \$897 million based on the need for additional wind and solar in rate base, capital spending for Astoria Station (part of our replacement solution for Hoot Lake Plant when it is retired in 2021), technology-related investments and distribution and transmission investments. Given this capital expenditure plan, our compounded annual growth rate in rate base is projected to be 8.2% over the 2019 to 2024 timeframe.

Execution on the currently anticipated Electric segment capital expenditure plan is expected to grow rate base and be a key driver in increasing utility earnings over the 2020 through 2024 timeframe.

Our outlook for 2020 is dependent on a variety of factors and is subject to the risks and uncertainties discussed in Item 1A. Risk Factors, and elsewhere in this report on Form 10-K.

## CRITICAL ACCOUNTING POLICIES INVOLVING SIGNIFICANT ESTIMATES

Our significant accounting policies are described in note 1 to our consolidated financial statements included in this report on Form 10-K. The discussion and analysis of the financial statements and results of operations are based on our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these consolidated financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities.

We use estimates based on the best information available in recording transactions and balances resulting from business operations. Estimates are used for such items as depreciable lives, asset impairment evaluations,

tax provisions, collectability of trade accounts receivable, self-insurance programs, unbilled electric revenues, interim rate refunds, warranty reserves and actuarially determined benefits costs and liabilities. As better information becomes available or actual amounts are known, estimates are revised. Operating results can be affected by revised estimates. Actual results may differ from these estimates under different assumptions or conditions. Management has discussed the application of these critical accounting policies and the development of these estimates with the Audit Committee of the board of directors. The following critical accounting policies affect the more significant judgments and estimates used in the preparation of our consolidated financial statements.

## PENSION AND OTHER POSTRETIREMENT BENEFITS OBLIGATIONS AND COSTS

Pension and postretirement benefit liabilities and expenses for our electric utility and corporate employees are determined by actuaries using assumptions about the discount rate, expected return on plan assets, rate of compensation increase and healthcare cost-trend rates. See note 11 to our consolidated financial statements included in this report on Form 10-K for additional information on our pension and postretirement benefit plans and related assumptions.

These benefits, for any individual employee, can be earned and related expenses can be recognized and a liability accrued over periods of up to 30 or more years. These benefits can be paid out for up to 40 or more years after an employee retires. Estimates of liabilities and expenses related to these benefits are among our most critical accounting estimates. Although deferral and amortization of fluctuations in actuarially determined benefit obligations and expenses are provided for when actual results on a year-to-year basis deviate from long-range assumptions, compensation increases and healthcare cost increases or a reduction in the discount rate applied from one year to the next can significantly increase our benefit expenses in the year of the change. Also, a reduction in the expected rate of return on pension plan assets in our funded pension plan or realized rates of return on plan assets that are well below assumed rates of return or an increase in the anticipated life expectancy of plan participants could result in significant increases in recognized pension benefit expenses in the year of the change or for many years thereafter because actuarial losses can be amortized over the average remaining service lives of active employees.

The pension benefit cost for 2020 for our noncontributory funded pension plan is expected to be \$6.8 million compared to \$3.4 million in 2019, reflecting a decrease in the estimated discount rate used to determine annual benefit cost accruals from 4.5% in 2019 to 3.47% in 2020. The assumed rate of return on pension plan assets is 6.88% for 2020 compared with 7.25% for 2019. In selecting the discount rate, we consider the yields of fixed income debt securities, which have ratings of "Aa" published by recognized rating agencies, along with bond matching models specific to our plan's cash flows as a basis to determine the rate.

Subsequent increases or decreases in actual rates of return on plan assets over assumed rates or increases or decreases in the discount rate or rate of increase in future compensation levels could significantly change projected costs. For 2019, all other factors being held constant: a 0.25 increase in the discount rate would have decreased our 2019 pension benefit cost by \$842,000; a 0.25 decrease in the discount rate would have increased our 2019 pension benefit cost by \$1,041,000; a 0.25 increase in the assumed rate of increase in future compensation levels would have increased our 2019 pension benefit cost by \$563,000; a 0.25 decrease in the assumed rate of increase in future compensation levels would have decreased our 2019 pension benefit cost by \$545,000; and a 0.25 increase (or decrease) in the expected long-term rate of return on plan assets would have decreased (or increased) our 2019 pension benefit cost by \$734,000.

Increases or decreases in the discount rate or in retiree healthcare cost inflation rates could significantly change our projected postretirement healthcare benefit costs. A 0.25 increase in the discount rate would have decreased our 2019 postretirement medical benefit costs by \$191,000. A 0.25 decrease in the discount rate would have increased our 2019 postretirement medical benefit costs by \$358,000.

We believe the estimates made for our pension and other postretirement benefits are reasonable based on the information that is known at the point in time the estimates are made. These estimates and assumptions are subject to a number of variables and are subject to change.

## TAXATION

We are required to make judgments regarding the potential tax effects of various financial transactions and our ongoing operations to estimate our obligations to taxing authorities. These tax obligations include income, real estate and use taxes. These judgments could result in the recognition of a liability for potential adverse outcomes regarding uncertain tax positions that we have taken. While we believe our liability for uncertain tax positions as of December 31, 2019 reflects the most likely probable expected outcome of these tax matters in accordance with the requirements of Accounting Standards Codification (ASC) Topic 740, *Income Taxes*, the ultimate outcome of such matters could result in additional adjustments to our consolidated financial statements. However, we do not believe such adjustments would be material.

Deferred income taxes are provided for revenue and expenses which are recognized in different periods for income tax and financial reporting purposes. We assess our deferred tax assets for recoverability taking into consideration our historical and anticipated earnings levels, the reversal of other existing temporary differences, available net operating loss carryforwards and available tax planning strategies that could be implemented to realize the deferred tax assets. Based on this assessment, management must evaluate the need for, and amount of, a valuation allowance against our deferred tax assets. As facts and circumstances change, adjustments to the valuation allowance may be required.

## GOODWILL IMPAIRMENT

Goodwill is required to be evaluated annually for impairment, according to ASC 350-20-35, *Goodwill—Subsequent Measurement*. We perform qualitative assessments of goodwill impairment and quantitative goodwill impairment testing annually in the fourth quarter. In addition, the quantitative testing is performed on an interim basis whenever events or circumstances indicate that the carrying amount of goodwill may not be recoverable. Examples of such events or circumstances may include a significant adverse change in business climate, weakness in an industry in which our reporting units operate or recent significant cash or operating losses with expectations that those losses will continue.

Under Generally Accepted Accounting Principles in the United States, we have the option of first performing a qualitative assessment to test goodwill for impairment on a reporting-unit basis. If, after applying the qualitative assessment, we conclude that it is *not* more likely than not that the fair value of the reporting unit is less than its carrying value, the quantitative goodwill impairment test is not required. If, after performing the qualitative assessment, we conclude that it is more likely than not that the fair value of the reporting unit is less than its carrying value, we would perform the quantitative goodwill impairment test.

The quantitative goodwill impairment test is a two-step process performed at the reporting unit level. We have determined the reporting units for our goodwill impairment test are our operating segments, or components of an operating segment, that constitute a business for which discrete financial information is available and for which our chief operating decision makers regularly review the operating results. See note 2 to our consolidated financial statements included in this report on Form 10-K for additional information on our operating segments. The first step of the quantitative impairment test involves comparing the fair value of each reporting unit to its carrying value. If the fair value of a reporting unit exceeds its carrying value, the test is complete and no impairment is recorded. If the fair value of a reporting unit is less than its carrying value, step two of the test is performed to determine the amount of impairment loss, if any. The impairment is computed by



comparing the implied fair value of the reporting unit's goodwill to the carrying value of that goodwill. If the carrying value is greater than the implied fair value, an impairment loss must be recorded. At December 31, 2019 the fair value substantially exceeded the carrying value at all our reporting units.

Conducting a qualitative assessment to determine if the fair value of a reporting unit is more likely than not in excess of its carrying value and determining the fair value of a reporting unit under quantitative testing requires judgment and the use of significant estimates which include assumptions about the reporting unit's future revenue, profitability and cash flows, amount and timing of estimated capital expenditures, inflation rates, weighted average cost of capital, operational plans, and current and future economic conditions, among others. The fair value of each reporting unit is determined using a combination of income and market approaches. We use a discounted cash flow methodology for our income approach. Under this approach, the discounted cash flow model determines fair value based on the present value of projected cash flows over a specified period and a residual value related to future cash flows beyond the projection period. Both values are discounted using a rate which reflects the best estimate of the weighted average cost of capital at each reporting unit. Under the market approach, we estimate fair value using multiples derived from comparable enterprise value to EBITDA multiples, comparable price earnings ratios, comparable enterprise value to sales multiples and if available, comparable sales transactions for comparative peer companies for each respective reporting unit. These multiples are applied to operating data for each reporting unit to arrive at an indication of fair value. When performing a qualitative assessment, we evaluate whether forecast scenarios used in the most recent quantitative fair value calculation continue to be reasonable considering industry events and the reporting unit's current circumstances. We believe the estimates and assumptions used in our impairment assessments are reasonable and based on available market information, but variations in any of the assumptions could result in materially different calculations of fair value and determinations of whether or not impairment is indicated.

## FORWARD-LOOKING INFORMATION—SAFE HARBOR STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

This report on Form 10-K contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 (the Act). When used in this Form 10-K and in future filings by the Company with the SEC, in the Company's press releases and in oral statements, words such as "may," "will," "expect," "anticipate," "continue," "estimate," "project," "believes" or similar expressions are intended to identify forward-looking statements within the meaning of the Act. Such statements are based on current expectations and assumptions and entail various risks and uncertainties that could cause actual results to differ materially from those expressed in such forward-looking statements. Such risks and uncertainties include the various factors set forth in Item 1A. Risk Factors of this report on Form 10-K and in our other SEC filings.

### ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

At December 31, 2019 we had exposure to market risk associated with interest rates because we had \$6.0 million in short-term debt outstanding subject to variable interest rates indexed to LIBOR plus 1.50% under the Otter Tail Corporation Credit Agreement.

All of our remaining consolidated long-term debt outstanding on December 31, 2019 has fixed interest rates. We manage our interest rate risk through the issuance of fixed-rate debt with varying maturities, through economic refunding of debt through optional refundings, limiting the amount of variable interest rate debt, and the utilization of short-term borrowings to allow flexibility in the timing and placement of long-term debt.

We have not used interest rate swaps to manage net exposure to interest rate changes related to our portfolio of borrowings. We maintain a ratio of fixed-rate debt to total debt within a certain range. It is our policy to enter into interest rate transactions and other financial instruments only to the extent considered necessary to meet our stated objectives. We do not enter into interest rate transactions for speculative or trading purposes.

The companies in our Manufacturing segment are exposed to market risk related to changes in commodity prices for steel, aluminum, and polystyrene and other plastics resins. The price and availability of these raw materials could affect the revenues and earnings of our Manufacturing segment.

The PVC pipe companies are exposed to market risk related to changes in commodity prices for PVC resins, the raw material used to manufacture PVC pipe. The PVC pipe industry is highly sensitive to commodity raw material pricing volatility. Historically, when resin prices are rising or stable, sales volume has been higher and when resin prices are falling, sales volume has been lower. Operating income may decline when the supply of PVC pipe increases faster than demand. Due to the commodity nature of PVC resin and the dynamic supply and demand factors worldwide, it is very difficult to predict gross margin percentages or to assume that historical trends will continue.



## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of Otter Tail Corporation

### Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets and statements of capitalization of Otter Tail Corporation and subsidiaries (the “Company”) as of December 31, 2019 and 2018, the related consolidated statements of income, comprehensive income, common shareholders’ equity, and cash flows for each of the three years in the period ended December 31, 2019, and the related notes and the schedule listed in the Index at Item 15 (collectively referred to as the “financial statements”). We also have audited the Company’s internal control over financial reporting as of December 31, 2019, based on criteria established in *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2019 and 2018, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2019, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2019, based on the criteria established in *Internal Control—Integrated Framework (2013)* issued by COSO.

### Basis for Opinions

The Company’s management is responsible for these financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management’s Report Regarding Internal Controls Over Financial Reporting. Our responsibility is to express an opinion on these financial statements and an opinion on the Company’s internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the financial statements included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures to respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

### Definition and Limitations of Internal Control over Financial Reporting

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Critical Audit Matters

The critical audit matters communicated below are matters arising from the current-period audit of the financial statements that were communicated or required to be communicated to the audit committee and that (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

**Rate and Regulatory Matters—Impact of Rate Regulation on the Financial Statements—Refer to Notes 1, 3 and 4 to the financial statements.**

*Critical Audit Matter Description*

The Company's regulated Electric segment accounts for the financial effects of regulation in accordance with ASC 980, Regulated Operations. This standard allows for the recording of a regulatory asset or liability for costs and revenues that will be collected or refunded through the ratemaking process in the future. This standard also provides for the recognition of revenues authorized for recovery outside of a general rate case under alternative revenue programs which provide for recovery of costs and incentives or returns on investment in such items as transmission infrastructure, renewable energy resources or conservation initiatives.

The Company is subject to rate regulation by federal and state utility regulatory agencies (collectively, the "Commissions"), which have jurisdiction with respect to the rates of electric distribution companies in Minnesota, North Dakota and South Dakota. The Company has stated that all regulatory assets and regulatory liabilities are recoverable or refundable through the regulatory process.

Accounting for the economics of rate regulation impacts multiple financial statement line items and disclosures, such as property, plant, and equipment, regulatory assets and liabilities, operating revenues and expenses, depreciation expense, income taxes and multiple disclosures in the notes to the financial statements. There is a risk that the Commissions will not approve full recovery of the costs of providing utility service or full recovery of all amounts invested in the utility business and a reasonable return on that investment. As a result, we identified the impact of rate regulation as a critical audit matter due to the significant judgments made by management to support its assertions about impacted account balances and disclosures and the high degree of subjectivity involved in assessing the impact of future regulatory orders on the financial statements. Management judgments include assessing the likelihood of (1) recovery in future rates of incurred costs, (2) a disallowance of capital expenditures or operating costs that management believes were prudently incurred, and (3) a refund to customers. Given that management's accounting judgments are based on assumptions about the outcome of future decisions by the Commissions, auditing these judgments required specialized knowledge of accounting for rate regulation and the rate setting process due its inherent complexities.

*How the Critical Audit Matter Was Addressed in the Audit*

Our audit procedures related to the uncertainty of future decisions by the Commissions included the following, among others:

- ▶ We tested the effectiveness of management's controls over the evaluation of the likelihood of (1) the recovery in future rates of costs incurred as property, plant, and equipment and deferred as regulatory assets, and (2) a refund or a future reduction in rates that should be reported as regulatory liabilities. We also tested the effectiveness of management's controls over the initial recognition of amounts as property, plant, and equipment; regulatory assets or liabilities; and the monitoring and evaluation of regulatory developments that may affect the likelihood of recovering costs in future rates or of a future reduction in rates.
- ▶ We evaluated the Company's disclosures related to the impacts of rate regulation, including the balances recorded and regulatory developments.
- ▶ We read relevant regulatory orders issued by the Commissions for the Company, regulatory statutes, interpretations, procedural memorandums, filings made by interveners, and other publicly available information to assess the likelihood of recovery in future rates or of a future reduction in rates based on precedence of the Commissions' treatment of similar costs under similar circumstances. We evaluated the external information and compared to management's recorded regulatory asset and liability balances for completeness.
- ▶ We inquired of management about property, plant, and equipment that may be abandoned. We inspected the capital-projects budget and construction-in-process listings and inquired of management to identify projects that are designed to replace assets that may be retired prior to the end of the useful life. We inspected minutes of the board of directors and regulatory orders and other filings with the Commissions to identify any evidence that may contradict management's assertion regarding probability of an abandonment.
- ▶ We compared actual spend for projects that have been capitalized to property, plant, and equipment to budget. We evaluated regulatory filings for any evidence that intervenors are challenging full recovery of the cost of any capital projects.
- ▶ We obtained an analysis from management and letters from internal and external legal counsel, as appropriate, regarding probability of recovery for regulatory assets or refund or future reduction in rates for regulatory liabilities not yet addressed in a regulatory order to assess management's assertion that amounts are probable of recovery or a future reduction in rates.

**Goodwill—Manufacturing Reporting Unit—Refer to Note 1 to the financial statements**

*Critical Audit Matter Description*

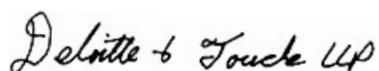
The Company's evaluation of goodwill for impairment involves the comparison of the fair value of each reporting unit to its carrying value. The Company performs qualitative and quantitative assessments of goodwill annually as of December 31 (the "measurement date") and more often when events indicate the assets may be impaired. The Company determines the fair value of its Manufacturing reporting unit by primarily using the discounted cash flow model. The determination of the fair value using the discounted cash flow model requires management to make significant estimates and assumptions related to forecasts of future revenues and profit margins. The Manufacturing reporting unit's revenues and profit margins are sensitive to changes in demand. The goodwill balance was \$37.6 million as of December 31, 2019, of which \$18.3 million was allocated to the Manufacturing reporting unit. The fair value of the Manufacturing reporting unit exceeded its carrying value as of the measurement date and, therefore, no impairment was recognized.

We identified goodwill for the Manufacturing reporting unit as a critical audit matter because of the significant judgments made by management to estimate its fair value and the difference between its fair value and carrying value and the sensitivity of the Manufacturing reporting unit's operations to changes in demand. This required a high degree of auditor judgment and an increased extent of effort when performing audit procedures to evaluate the reasonableness of management's estimates and assumptions related to forecasts of future revenue and profit margin.

*How the Critical Audit Matter Was Addressed in the Audit*

Our audit procedures related to forecasts of future revenue and profit margin used by management to estimate the fair value of the Manufacturing reporting unit included the following, among others:

- ▶ We tested the effectiveness of controls over management's goodwill impairment evaluation, including those over the determination of the fair value of the Manufacturing reporting unit, such as controls related to forecasts of future revenue and profit margin.
- ▶ We evaluated management's ability to accurately forecast future revenues and profit margins by comparing actual results to management's historical forecasts.
- ▶ We evaluated the reasonableness of management's revenue and profit margin forecasts by comparing the forecasts to:
  - Historical revenues and profit margins.
  - Internal communications to management and the Board of Directors.
  - Forecasted information included in Company press releases as well as in analyst and industry reports for the Company and certain of its peer companies.

The logo for Deloitte & Touche LLP, featuring the company name in a stylized, cursive script.

Minneapolis, Minnesota  
February 20, 2020

*We have served as the Company's auditor since 1944.*

## CONSOLIDATED BALANCE SHEETS, DECEMBER 31

| <i>(in thousands)</i>                                                                 | 2019                | 2018                |
|---------------------------------------------------------------------------------------|---------------------|---------------------|
| <b>Assets</b>                                                                         |                     |                     |
| <b>Current Assets</b>                                                                 |                     |                     |
| Cash and Cash Equivalents                                                             | \$ 21,199           | \$ 861              |
| Accounts Receivable:                                                                  |                     |                     |
| Trade (less allowance for doubtful accounts of \$1,339 for 2019 and \$1,407 for 2018) | 77,947              | 75,144              |
| Other                                                                                 | 8,773               | 9,741               |
| Inventories                                                                           | 97,851              | 106,270             |
| Unbilled Receivables                                                                  | 20,911              | 23,626              |
| Income Taxes Receivable                                                               | 1,487               | 2,439               |
| Regulatory Assets                                                                     | 21,650              | 17,225              |
| Other                                                                                 | 5,042               | 6,114               |
| Total Current Assets                                                                  | 254,860             | 241,420             |
| <b>Investments</b>                                                                    | 9,894               | 8,961               |
| <b>Other Assets</b>                                                                   | 40,196              | 35,759              |
| <b>Goodwill</b>                                                                       | 37,572              | 37,572              |
| <b>Other Intangibles-Net</b>                                                          | 11,290              | 12,450              |
| <b>Regulatory Assets</b>                                                              | 144,138             | 135,257             |
| <b>Right of Use Asset—Operating Leases</b>                                            | 21,851              | —                   |
| <b>Plant</b>                                                                          |                     |                     |
| Electric Plant in Service                                                             | 2,212,884           | 2,019,721           |
| Nonelectric Operations                                                                | 247,356             | 228,120             |
| Construction Work in Progress                                                         | 185,238             | 181,626             |
| Total Gross Plant                                                                     | 2,645,478           | 2,429,467           |
| Less Accumulated Depreciation and Amortization                                        | 891,684             | 848,369             |
| Net Plant                                                                             | 1,753,794           | 1,581,098           |
| <b>Total Assets</b>                                                                   | <b>\$ 2,273,595</b> | <b>\$ 2,052,517</b> |

See accompanying notes to consolidated financial statements.

## CONSOLIDATED BALANCE SHEETS, DECEMBER 31

| <i>(in thousands, except share data)</i>                                                                                             | 2019                | 2018                |
|--------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| <b>Liabilities and Equity</b>                                                                                                        |                     |                     |
| <b>Current Liabilities</b>                                                                                                           |                     |                     |
| Short-Term Debt                                                                                                                      | \$ 6,000            | \$ 18,599           |
| Current Maturities of Long-Term Debt                                                                                                 | 183                 | 172                 |
| Accounts Payable                                                                                                                     | 120,775             | 96,291              |
| Accrued Salaries and Wages                                                                                                           | 22,730              | 24,857              |
| Accrued Taxes                                                                                                                        | 17,525              | 17,287              |
| Regulatory Liabilities                                                                                                               | 7,480               | 738                 |
| Current Operating Lease Liabilities                                                                                                  | 4,136               | —                   |
| Other Accrued Liabilities                                                                                                            | 10,912              | 12,149              |
| Total Current Liabilities                                                                                                            | 189,741             | 170,093             |
| <b>Pensions Benefit Liability</b>                                                                                                    | 98,970              | 98,358              |
| <b>Other Postretirement Benefits Liability</b>                                                                                       | 71,437              | 71,561              |
| <b>Long-Term Operating Lease Liabilities</b>                                                                                         | 18,193              | —                   |
| <b>Other Noncurrent Liabilities</b>                                                                                                  | 30,833              | 24,326              |
| <b>Commitments and Contingencies (note 9)</b>                                                                                        |                     |                     |
| <b>Deferred Credits</b>                                                                                                              |                     |                     |
| Deferred Income Taxes                                                                                                                | 131,941             | 120,976             |
| Deferred Tax Credits                                                                                                                 | 18,626              | 19,974              |
| Regulatory Liabilities                                                                                                               | 239,906             | 226,469             |
| Other                                                                                                                                | 2,885               | 1,895               |
| Total Deferred Credits                                                                                                               | 393,358             | 369,314             |
| <b>Capitalization (page 58)</b>                                                                                                      |                     |                     |
| Long-Term Debt—Net                                                                                                                   | 689,581             | 590,002             |
| Cumulative Preferred Shares—Authorized 1,500,000 Shares Without Par Value; Outstanding—None                                          | —                   | —                   |
| Cumulative Preference Shares—Authorized 1,000,000 Shares Without Par Value; Outstanding—None                                         | —                   | —                   |
| Common Shares, Par Value \$5 Per Share—Authorized, 50,000,000 Shares;<br>Outstanding, 2019—40,157,591 Shares; 2018—39,664,884 Shares | 200,788             | 198,324             |
| Premium on Common Shares                                                                                                             | 364,790             | 344,250             |
| Retained Earnings                                                                                                                    | 222,341             | 190,433             |
| Accumulated Other Comprehensive Loss                                                                                                 | (6,437)             | (4,144)             |
| Total Common Equity                                                                                                                  | 781,482             | 728,863             |
| Total Capitalization                                                                                                                 | 1,471,063           | 1,318,865           |
| <b>Total Liabilities and Equity</b>                                                                                                  | <b>\$ 2,273,595</b> | <b>\$ 2,052,517</b> |

See accompanying notes to consolidated financial statements.



## CONSOLIDATED STATEMENTS OF INCOME—FOR THE YEARS ENDED DECEMBER 31

| <i>(in thousands, except per-share amounts)</i>                | 2019       | 2018       | 2017       |
|----------------------------------------------------------------|------------|------------|------------|
| <b>Operating Revenues</b>                                      |            |            |            |
| Electric                                                       |            |            |            |
| Revenues from Contracts with Customers                         | \$ 458,016 | \$ 450,637 | \$ 436,477 |
| Changes in Accrued Revenues under Alternative Revenue Programs | 1,032      | (439)      | (1,971)    |
| Total Electric                                                 | 459,048    | 450,198    | 434,506    |
| Product Sales from Contracts with Customers                    | 460,455    | 466,249    | 414,844    |
| Total Operating Revenues                                       | 919,503    | 916,447    | 849,350    |
| <b>Operating Expenses</b>                                      |            |            |            |
| Production Fuel—Electric                                       | 59,256     | 66,815     | 59,690     |
| Purchased Power—Electric System Use                            | 72,066     | 68,355     | 64,807     |
| Electric Operation and Maintenance Expenses                    | 153,529    | 155,534    | 146,914    |
| Cost of Products Sold (depreciation included below)            | 355,119    | 354,559    | 316,562    |
| Other Nonelectric Expenses                                     | 50,782     | 51,544     | 41,492     |
| Depreciation and Amortization                                  | 78,086     | 74,666     | 72,545     |
| Property Taxes—Electric                                        | 15,785     | 15,585     | 15,053     |
| Total Operating Expenses                                       | 784,623    | 787,058    | 717,063    |
| <b>Operating Income</b>                                        | 134,880    | 129,389    | 132,287    |
| <b>Interest Charges</b>                                        | 31,411     | 30,408     | 29,604     |
| <b>Nonservice Cost Components of Postretirement Benefits</b>   | 4,293      | 5,509      | 5,620      |
| <b>Other Income</b>                                            | 5,112      | 3,461      | 2,632      |
| <b>Income Before Income Taxes</b>                              | 104,288    | 96,933     | 99,695     |
| <b>Income Tax Expense</b>                                      | 17,441     | 14,588     | 27,256     |
| <b>Net Income</b>                                              | \$ 86,847  | \$ 82,345  | \$ 72,439  |
| <b>Average Number of Common Shares Outstanding—Basic</b>       | 39,721     | 39,600     | 39,457     |
| <b>Average Number of Common Shares Outstanding—Diluted</b>     | 39,954     | 39,892     | 39,748     |
| <b>Basic Earnings Per Common Share</b>                         | \$ 2.19    | \$ 2.08    | \$ 1.84    |
| <b>Diluted Earnings Per Common Share</b>                       | \$ 2.17    | \$ 2.06    | \$ 1.82    |

See accompanying notes to consolidated financial statements.

# CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME—FOR THE YEARS ENDED DECEMBER 31

| <i>(in thousands)</i>                                                          | 2019             | 2018             | 2017             |
|--------------------------------------------------------------------------------|------------------|------------------|------------------|
| <b>Net Income</b>                                                              | <b>\$ 86,847</b> | <b>\$ 82,345</b> | <b>\$ 72,439</b> |
| <b>Other Comprehensive Income (Loss):</b>                                      |                  |                  |                  |
| Unrealized Gain (Loss) on Available-for-Sale Securities:                       |                  |                  |                  |
| Reversal of Previously Recognized Losses (Gains) Realized on                   |                  |                  |                  |
| Sale of Investments and Included in Other Income During Period                 | <b>16</b>        | (105)            | (15)             |
| Unrealized Gains (Losses) Arising During Period                                | <b>147</b>       | (61)             | 115              |
| Income Tax (Expense) Benefit                                                   | <b>(34)</b>      | 35               | (35)             |
| Change in Unrealized Gain (Loss) on Available-for-Sale Securities—net-of-tax   | <b>129</b>       | (131)            | 65               |
| Pension and Postretirement Benefit Plans:                                      |                  |                  |                  |
| Actuarial (Losses) Gains net of Regulatory Allocation Adjustment               | <b>(2,779)</b>   | 1,919            | (3,791)          |
| Amortization of Unrecognized Postretirement Benefit Losses and Costs (note 11) | <b>565</b>       | 985              | 629              |
| Income Tax Benefit (Expense)                                                   | <b>576</b>       | (755)            | 1,266            |
| Adjustment to Income Tax Expense Related to 2017 Tax Cuts and Jobs Act         | <b>—</b>         | (531)            | —                |
| Pension and Postretirement Benefit Plans—net-of-tax                            | <b>(1,638)</b>   | 1,618            | (1,896)          |
| <b>Total Other Comprehensive (Loss) Income</b>                                 | <b>(1,509)</b>   | 1,487            | (1,831)          |
| <b>Total Comprehensive Income</b>                                              | <b>\$ 85,338</b> | <b>\$ 83,832</b> | <b>\$ 70,608</b> |

See accompanying notes to consolidated financial statements.

## CONSOLIDATED STATEMENTS OF COMMON SHAREHOLDERS' EQUITY

| <i>(in thousands, except common shares outstanding)</i> | Common<br>Shares<br>Outstanding | Par Value,<br>Common<br>Shares | Premium on<br>Common<br>Shares | Retained<br>Earnings | Accumulated<br>Other<br>Comprehensive<br>Income/(Loss) | Total<br>Common<br>Equity |
|---------------------------------------------------------|---------------------------------|--------------------------------|--------------------------------|----------------------|--------------------------------------------------------|---------------------------|
| <b>Balance, December 31, 2016</b>                       | <b>39,348,136</b>               | <b>\$ 196,741</b>              | <b>\$ 337,684</b>              | <b>\$ 139,479</b>    | <b>\$ (3,800)<sup>(a)</sup></b>                        | <b>\$ 670,104</b>         |
| Common Stock Issuances, Net of Expenses                 | 257,059                         | 1,285                          | 3,684                          |                      |                                                        | 4,969                     |
| Common Stock Retirements and Forfeitures                | (47,704)                        | (239)                          | (1,560)                        |                      |                                                        | (1,799)                   |
| Net Income                                              |                                 |                                |                                | 72,439               |                                                        | 72,439                    |
| Other Comprehensive Income                              |                                 |                                |                                |                      | (1,831)                                                | (1,831)                   |
| Employee Stock Incentive Plan Expense                   |                                 |                                | 3,642                          |                      |                                                        | 3,642                     |
| Common Dividends (\$1.28 per share)                     |                                 |                                |                                | (50,632)             |                                                        | (50,632)                  |
| <b>Balance, December 31, 2017</b>                       | <b>39,557,491</b>               | <b>\$ 197,787</b>              | <b>\$ 343,450</b>              | <b>\$ 161,286</b>    | <b>\$ (5,631)<sup>(a)</sup></b>                        | <b>\$ 696,892</b>         |
| Common Stock Issuances, Net of Expenses                 | 178,601                         | 893                            | (986)                          |                      |                                                        | (93)                      |
| Common Stock Retirements and Forfeitures                | (71,208)                        | (356)                          | (2,655)                        |                      |                                                        | (3,011)                   |
| Net Income                                              |                                 |                                |                                | 82,345               |                                                        | 82,345                    |
| Other Comprehensive Income                              |                                 |                                |                                |                      | 1,487                                                  | 1,487                     |
| Employee Stock Incentive Plan Expense                   |                                 |                                | 4,441                          |                      |                                                        | 4,441                     |
| Common Dividends (\$1.34 per share)                     |                                 |                                |                                | (53,198)             |                                                        | (53,198)                  |
| <b>Balance, December 31, 2018</b>                       | <b>39,664,884</b>               | <b>\$ 198,324</b>              | <b>\$ 344,250</b>              | <b>\$ 190,433</b>    | <b>\$ (4,144)<sup>(a)</sup></b>                        | <b>\$ 728,863</b>         |
| Common Stock Issuances, Net of Expenses                 | 547,931                         | 2,740                          | 17,036                         |                      |                                                        | 19,776                    |
| Common Stock Retirements and Forfeitures                | (55,224)                        | (276)                          | (2,454)                        |                      |                                                        | (2,730)                   |
| Net Income                                              |                                 |                                |                                | 86,847               |                                                        | 86,847                    |
| Other Comprehensive Income                              |                                 |                                |                                |                      | (1,509)                                                | (1,509)                   |
| ASU 2018-02 2017 TCJA Stranded Tax Transfer             |                                 |                                |                                | 784                  | (784)                                                  | —                         |
| Employee Stock Incentive Plan Expense                   |                                 |                                | 5,958                          |                      |                                                        | 5,958                     |
| Common Dividends (\$1.40 per share)                     |                                 |                                |                                | (55,723)             |                                                        | (55,723)                  |
| <b>Balance, December 31, 2019</b>                       | <b>40,157,591</b>               | <b>\$ 200,788</b>              | <b>\$ 364,790</b>              | <b>\$ 222,341</b>    | <b>\$ (6,437)<sup>(a)</sup></b>                        | <b>\$ 781,482</b>         |

(a) Accumulated Other Comprehensive Loss on December 31 is comprised of the following:

| <i>(in thousands)</i>                                                                                          | 2019       | 2018       | 2017       |
|----------------------------------------------------------------------------------------------------------------|------------|------------|------------|
| Unrealized Gain (Loss) on Marketable Equity Securities:                                                        |            |            |            |
| Before Tax                                                                                                     | \$ 68      | \$ (95)    | \$ 71      |
| Tax Effect                                                                                                     | (14)       | 20         | (15)       |
| Stranded Tax Effect                                                                                            | —          | (10)       | (10)       |
| Unrealized Gain (Loss) on Marketable Equity Securities – net-of-tax                                            | 54         | (85)       | 46         |
| Unamortized Actuarial Losses and Prior Service Costs Related to Pension and Postretirement Benefits:           |            |            |            |
| Before Tax                                                                                                     | (8,772)    | (6,558)    | (9,462)    |
| Tax Effect                                                                                                     | 2,281      | 1,705      | 2,991      |
| Stranded Tax Effect                                                                                            | —          | 794        | 794        |
| Unamortized Actuarial Losses and Prior Service Costs Related to Pension and Postretirement Benefits—net-of-tax | (6,491)    | (4,059)    | (5,677)    |
| Accumulated Other Comprehensive Loss:                                                                          |            |            |            |
| Before Tax                                                                                                     | (8,704)    | (6,653)    | (9,391)    |
| Tax Effect                                                                                                     | 2,267      | 1,725      | 2,976      |
| Stranded Tax Effect                                                                                            | —          | 784        | 784        |
| Net Accumulated Other Comprehensive Loss                                                                       | \$ (6,437) | \$ (4,144) | \$ (5,631) |

See accompanying notes to consolidated financial statements.

## CONSOLIDATED STATEMENTS OF CASH FLOWS—FOR THE YEARS ENDED DECEMBER 31

| <i>(in thousands)</i>                                                                | 2019             | 2018             | 2017             |
|--------------------------------------------------------------------------------------|------------------|------------------|------------------|
| <b>Cash Flows from Operating Activities</b>                                          |                  |                  |                  |
| Net Income                                                                           | \$ 86,847        | \$ 82,345        | \$ 72,439        |
| Adjustments to Reconcile Net Income<br>to Net Cash Provided by Operating Activities: |                  |                  |                  |
| Depreciation and Amortization                                                        | 78,086           | 74,666           | 72,545           |
| Deferred Tax Credits                                                                 | (1,348)          | (1,405)          | (1,470)          |
| Deferred Income Taxes                                                                | 11,507           | 19,224           | 24,001           |
| Change in Deferred Debits and Other Assets                                           | (15,502)         | 941              | (2,173)          |
| Discretionary Contribution to Pension Plan                                           | (22,500)         | (20,000)         | —                |
| Change in Noncurrent Liabilities and Deferred Credits                                | 33,534           | (2,414)          | 19,257           |
| Allowance for Equity/Other Funds Used During Construction                            | (2,553)          | (2,194)          | (986)            |
| Stock Compensation Expense—Equity Awards                                             | 5,958            | 4,441            | 3,642            |
| Other—Net                                                                            | 76               | —                | 10               |
| Cash (Used for) Provided by Current Assets and Current Liabilities:                  |                  |                  |                  |
| Change in Receivables                                                                | (1,860)          | (8,559)          | (2,135)          |
| Change in Inventories                                                                | 8,419            | (18,236)         | (4,294)          |
| Change in Other Current Assets                                                       | 2,919            | (754)            | (3,060)          |
| Change in Payables and Other Current Liabilities                                     | (171)            | 14,997           | (3,013)          |
| Change in Interest Payable and Income Taxes Receivable                               | 1,625            | 396              | (1,186)          |
| <b>Net Cash Provided by Operating Activities</b>                                     | <b>185,037</b>   | <b>143,448</b>   | <b>173,577</b>   |
| <b>Cash Flows from Investing Activities</b>                                          |                  |                  |                  |
| Capital Expenditures                                                                 | (207,365)        | (105,425)        | (132,913)        |
| Proceeds from Disposal of Noncurrent Assets                                          | 8,519            | 2,378            | 4,491            |
| Cash Used for Investments and Other Assets                                           | (10,626)         | (4,372)          | (4,168)          |
| <b>Net Cash Used in Investing Activities</b>                                         | <b>(209,472)</b> | <b>(107,419)</b> | <b>(132,590)</b> |
| <b>Cash Flows from Financing Activities</b>                                          |                  |                  |                  |
| Change in Checks Written in Excess of Cash                                           | (2,814)          | (345)            | 2,434            |
| Net Short-Term (Repayments) Borrowings                                               | (12,599)         | (93,772)         | 69,488           |
| Proceeds from Issuance of Common Stock                                               | 20,338           | —                | 4,349            |
| Common Stock Issuance Expenses                                                       | (577)            | (108)            | —                |
| Payments for Retirement of Capital Stock                                             | (2,730)          | (3,011)          | (1,799)          |
| Proceeds from Issuance of Long-Term Debt                                             | 100,000          | 100,000          | —                |
| Short-Term and Long-Term Debt Issuance Expenses                                      | (950)            | (761)            | (380)            |
| Payments for Retirement of Long-Term Debt                                            | (172)            | (189)            | (48,231)         |
| Dividends Paid                                                                       | (55,723)         | (53,198)         | (50,632)         |
| <b>Net Cash Provided by (Used in) Financing Activities</b>                           | <b>44,773</b>    | <b>(51,384)</b>  | <b>(24,771)</b>  |
| <b>Net Change in Cash and Cash Equivalents</b>                                       | <b>20,338</b>    | <b>(15,355)</b>  | <b>16,216</b>    |
| <b>Cash and Cash Equivalents at Beginning of Period</b>                              | <b>861</b>       | <b>16,216</b>    | <b>—</b>         |
| <b>Cash and Cash Equivalents at End of Period</b>                                    | <b>\$ 21,199</b> | <b>\$ 861</b>    | <b>\$ 16,216</b> |

See accompanying notes to consolidated financial statements.

## CONSOLIDATED STATEMENTS OF CAPITALIZATION, DECEMBER 31

| <i>(in thousands, except share data)</i>                                                               | 2019                | 2018                |
|--------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| <b>Short-Term Debt</b>                                                                                 |                     |                     |
| Otter Tail Corporation Credit Agreement                                                                | \$ 6,000            | \$ 9,215            |
| Otter Tail Power Company Credit Agreement                                                              | —                   | 9,384               |
| <b>Total Short-Term Debt</b>                                                                           | <b>\$ 6,000</b>     | <b>\$ 18,599</b>    |
| <b>Long-Term Debt</b>                                                                                  |                     |                     |
| <b>Obligations of Otter Tail Corporation</b>                                                           |                     |                     |
| 3.55% Guaranteed Senior Notes, due December 15, 2026                                                   | \$ 80,000           | \$ 80,000           |
| Partnership in Assisting Community Expansion (PACE) Note, 2.54%, due March 18, 2021                    | 351                 | 523                 |
| <b>Total—Otter Tail Corporation</b>                                                                    | <b>80,351</b>       | <b>80,523</b>       |
| Less: Current Maturities—net of Unamortized Debt Issuance Costs                                        | 183                 | 172                 |
| Unamortized Long-Term Debt Issuance Costs                                                              | 356                 | 407                 |
| <b>Total Otter Tail Corporation Long-Term Debt net of Unamortized Debt Issuance Costs</b>              | <b>79,812</b>       | <b>79,944</b>       |
| <b>Obligations of Otter Tail Power Company</b>                                                         |                     |                     |
| Senior Unsecured Notes 4.63%, Series 2011A, due December 1, 2021                                       | 140,000             | 140,000             |
| Senior Unsecured Notes 6.15%, Series 2007B, due August 20, 2022                                        | 30,000              | 30,000              |
| Senior Unsecured Notes 6.37%, Series 2007C, due August 20, 2027                                        | 42,000              | 42,000              |
| Senior Unsecured Notes 4.68%, Series 2013A, due February 27, 2029                                      | 60,000              | 60,000              |
| Senior Unsecured Notes 3.07%, Series 2019A, due October 10, 2029 <sup>(1)</sup>                        | 10,000              | —                   |
| Senior Unsecured Notes 6.47%, Series 2007D, due August 20, 2037                                        | 50,000              | 50,000              |
| Senior Unsecured Notes 3.52%, Series 2019B, due October 10, 2039                                       | 26,000              | —                   |
| Senior Unsecured Notes 5.47%, Series 2013B, due February 27, 2044                                      | 90,000              | 90,000              |
| Senior Unsecured Notes 4.07%, Series 2018A, due February 7, 2048                                       | 100,000             | 100,000             |
| Senior Unsecured Notes 3.82%, Series 2019C, due October 10, 2049                                       | 64,000              | —                   |
| <b>Total—Otter Tail Power Company</b>                                                                  | <b>612,000</b>      | <b>512,000</b>      |
| Less: Unamortized Long-Term Debt Issuance Costs                                                        | 2,231               | 1,942               |
| <b>Total Otter Tail Power Company Long-Term Debt net of Unamortized Debt Issuance Costs</b>            | <b>609,769</b>      | <b>510,058</b>      |
| <b>Total Consolidated Long-Term Debt</b>                                                               | <b>692,351</b>      | <b>592,523</b>      |
| Less: Current Maturities—net of Unamortized Debt Issuance Costs                                        | 183                 | 172                 |
| Unamortized Long-Term Debt Issuance Costs                                                              | 2,587               | 2,349               |
| <b>Total Consolidated Long-Term Debt net of Unamortized Debt Issuance Costs</b>                        | <b>689,581</b>      | <b>590,002</b>      |
| <b>Cumulative Preferred Shares</b> —Without Par Value, Authorized 1,500,000 Shares; Outstanding: None  | —                   | —                   |
| <b>Cumulative Preference Shares</b> —Without Par Value, Authorized 1,000,000 Shares; Outstanding: None | —                   | —                   |
| <b>Total Common Shareholders' Equity</b>                                                               | <b>781,482</b>      | <b>728,863</b>      |
| <b>Total Capitalization</b>                                                                            | <b>\$ 1,471,063</b> | <b>\$ 1,318,865</b> |

<sup>(1)</sup> Holder is COBANK, a cooperative lender. Interest payments are subject to cash credits which may result in a lower effective interest rate.  
See accompanying notes to consolidated financial statements.



# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2019, 2018 AND 2017

## 1. Summary of Significant Accounting Policies

### Principles of Consolidation

The consolidated financial statements of Otter Tail Corporation and its wholly owned subsidiaries (the Company) include the accounts of the following segments: Electric, Manufacturing and Plastics. See note 2 to consolidated financial statements for further descriptions of the Company's business segments. All intercompany balances and transactions have been eliminated in consolidation except profits on sales to the regulated electric utility company from nonregulated affiliates, which is in accordance with the requirements of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 980, *Regulated Operations* (ASC 980).

### Regulation and ASC 980

The Company's regulated electric utility company, Otter Tail Power Company (OTP), accounts for the financial effects of regulation in accordance with ASC 980. This standard allows for the recording of a regulatory asset or liability for costs and revenues that will be collected or refunded through the ratemaking process in the future. In accordance with regulatory treatment, OTP defers utility debt redemption premiums and amortizes such costs over the original life of the reacquired bonds. See note 4 to consolidated financial statements for further discussion.

OTP is subject to various state and federal agency regulations. The accounting policies followed by this business are subject to the Uniform System of Accounts of the Federal Energy Regulatory Commission (FERC). These accounting policies differ in some respects from those used by the Company's nonelectric businesses.

### Plant, Retirements and Depreciation

Utility plant is stated at original cost. The cost of additions includes contracted work, direct labor and materials, allocable overheads and allowance for funds used during construction. The amount of interest capitalized on electric utility plant was \$1,728,000 in 2019, \$1,206,000

in 2018 and \$741,000 in 2017. The cost of depreciable units of property retired less salvage is charged to accumulated depreciation. Removal costs, when incurred, are charged against the accumulated reserve for estimated removal costs, a regulatory liability. Maintenance, repairs and replacement of minor items of property are charged to operating expenses. The provisions for utility depreciation for financial reporting purposes are made on the straight-line method based on the estimated remaining service lives of the properties (5 to 82 years). Such provisions as a percent of the average balance of depreciable electric utility property were 2.81% in 2019, 2.76% in 2018 and 2.74% in 2017. Gains or losses on group asset dispositions are taken to the accumulated provision for depreciation reserve and impact current and future depreciation rates.

Property and equipment of nonelectric operations are carried at historical cost or at fair value if acquired in a business combination and are depreciated on a straight-line basis over the assets' estimated useful lives (2 to 40 years). The cost of additions includes contracted work, direct labor and materials, allocable overheads and capitalized interest. No interest was capitalized on nonelectric plant in 2019, 2018 or 2017. Maintenance and repairs are expensed as incurred. Gains or losses on asset dispositions are included in the determination of operating income.

### Recoverability of Long-Lived Assets

The Company reviews its long-lived assets whenever events or changes in circumstances indicate the carrying amount of the assets may not be recoverable. The Company determines potential impairment by comparing the carrying amount of the assets with net cash flows expected to be provided by operating activities of the business or related assets. If the sum of the expected future net cash flows is less than the carrying amount of the assets, the Company would recognize an impairment loss. Such an impairment loss would be measured as the amount by which the carrying amount exceeds the fair value of the asset, where fair value is based on the discounted cash flows expected to be generated by the asset.

### Jointly Owned Facilities

OTP is a joint owner in two coal-fired steam-powered electric generation plants: Big Stone Plant near Big Stone City, South Dakota and Coyote Station near Beulah, North Dakota. OTP is also a joint owner, with other regional utilities, in five major transmission lines. The following table provides OTP's ownership percentages and amounts included in the Company's December 31, 2019 and 2018 consolidated balance sheets for OTP's share of jointly owned assets in each of these jointly owned facilities:

| Jointly Owned Facilities (dollars in thousands) | OTP<br>Ownership<br>Percentage | Electric Plant<br>in Service | Construction<br>Work in<br>Progress | Accumulated<br>Depreciation | Net Plant  |
|-------------------------------------------------|--------------------------------|------------------------------|-------------------------------------|-----------------------------|------------|
| <b>December 31, 2019</b>                        |                                |                              |                                     |                             |            |
| Big Stone Plant                                 | 53.9%                          | \$ 337,197                   | \$ 384                              | \$ (98,654)                 | \$ 238,927 |
| Coyote Station                                  | 35.0%                          | 184,493                      | 83                                  | (108,248)                   | 76,328     |
| Big Stone South-Ellendale 345 kV line (1)       | 50.0%                          | 106,343                      | —                                   | (819)                       | 105,524    |
| Fargo-Monticello 345 kV line                    | 14.2%                          | 78,184                       | —                                   | (7,011)                     | 71,173     |
| Big Stone South-Brookings 345 kV line           | 50.0%                          | 53,036                       | —                                   | (2,016)                     | 51,020     |
| Brookings-Southeast Twin Cities 345 kV line     | 4.8%                           | 26,286                       | —                                   | (2,086)                     | 24,200     |
| Bemidji-Grand Rapids 230 kV line                | 14.8%                          | 16,331                       | —                                   | (233)                       | 16,098     |
| <b>December 31, 2018</b>                        |                                |                              |                                     |                             |            |
| Big Stone Plant                                 | 53.9%                          | \$ 336,051                   | \$ 361                              | \$ (92,007)                 | \$ 244,405 |
| Coyote Station                                  | 35.0%                          | 177,713                      | 2,588                               | (100,997)                   | 79,304     |
| Big Stone South-Ellendale 345 kV line (1)       | 50.0%                          | —                            | 106,490                             | —                           | 106,490    |
| Fargo-Monticello 345 kV line                    | 14.2%                          | 78,184                       | —                                   | (5,891)                     | 72,293     |
| Big Stone South-Brookings 345 kV line           | 50.0%                          | 53,235                       | (150)                               | (1,264)                     | 51,821     |
| Brookings-Southeast Twin Cities 345 kV line     | 4.8%                           | 26,281                       | —                                   | (1,713)                     | 24,568     |
| Bemidji-Grand Rapids 230 kV line                | 14.8%                          | 16,331                       | —                                   | (2,091)                     | 14,240     |

(1) Midcontinent Independent System Operator, Inc. (MISO) Multi-Value Project (MVP) designation provides for a return on invested funds while under construction under the MISO Open Access Transmission, Energy and Operating Reserve Markets Tariff (MISO Tariff).

The Company's share of direct revenue and expenses of the jointly owned facilities is included in operating revenue and expenses in the consolidated statements of income.

#### **Coyote Station Lignite Supply Agreement—Variable Interest Entity**

In October 2012 the Coyote Station owners, including OTP, entered into a lignite sales agreement (LSA) with Coyote Creek Mining Company, L.L.C. (CCMC), a subsidiary of The North American Coal Corporation, for the purchase of lignite coal to meet the coal supply requirements of Coyote Station for the period beginning in May 2016 and ending in December 2040. The price per ton paid by the Coyote Station owners under the LSA reflects the cost of production, along with an agreed profit and capital charge. CCMC was formed for the purpose of mining coal to meet the coal fuel supply requirements of Coyote Station from May 2016 through December 2040 and, based on the terms of the LSA, is considered a variable interest entity (VIE) due to the transfer of all operating and economic risk to the Coyote Station owners, as the agreement is structured so that the price of the coal would cover all costs of operations as well as future reclamation costs. The Coyote Station owners are required to buy certain assets of CCMC at book value should they terminate the contract prior to the end of the contract term and are providing a guarantee of the value of the equity of CCMC because the Coyote Station owners are required to buy the membership interests of CCMC at the end of the contract term at equity value. Under current accounting standards, the primary beneficiary of a VIE is required to include the assets, liabilities, results of operations and cash flows of the VIE in its consolidated financial statements. No single owner of Coyote Station owns a majority interest in Coyote Station and none, individually, has the power to direct the activities that most significantly impact CCMC. Therefore, none of the owners individually, including OTP, is considered a primary beneficiary of the VIE and the Company is not required to include CCMC in its consolidated financial statements.

If the LSA terminates prior to the expiration of its term or the production period terminates prior to December 31, 2040 and the Coyote Station owners purchase all of the outstanding membership interests of CCMC, the owners will satisfy (or if permitted by CCMC's applicable lenders assume) all of CCMC's obligations owed to CCMC's lenders under its loans and leases. The Coyote Station owners have limited rights to assign their rights and obligations under the LSA without the consent of CCMC's lenders during any period in which CCMC's obligations to its lenders remain outstanding. In the event the contract is terminated prior to the end of the term due to certain events, OTP's maximum exposure to additional costs, as a result of its involvement with CCMC, and potential impairment loss if recovery of those costs is denied by regulatory authorities, could be as high as \$50.4 million, OTP's 35% share of CCMC's unrecovered costs as of December 31, 2019.

#### **Income Taxes**

Comprehensive interperiod income tax allocation is used for substantially all book and tax temporary differences. Deferred income taxes arise for all temporary differences between the book and tax basis of assets and liabilities. Deferred taxes are recorded using the tax rates scheduled by tax law to be in effect in the periods when the temporary differences reverse. The Company amortizes investment tax credits over the estimated lives of related property. The Company records income taxes in accordance with ASC Topic 740, *Income Taxes*, and has recognized in its consolidated financial statements the tax effects of all tax positions that are "more-likely-than-not" to be sustained on audit based solely on the technical merits of those positions as of the balance sheet date. The term "more-likely-than-not" means a likelihood of more than 50%. The Company classifies interest and penalties on tax uncertainties as components of the provision for income taxes. See note 14 to consolidated financial statements regarding the Company's accounting for uncertain tax positions.

The Company also is required to assess the realizability of its deferred tax assets, taking into consideration the Company's forecast of future taxable income, the reversal of other existing temporary differences, available net operating loss carryforwards and available tax planning strategies that could be implemented to realize the deferred tax assets. Based on this assessment, management must evaluate the need for, and amount of, valuation allowances against the Company's deferred tax assets. To the extent facts and circumstances change in the future, adjustments to the valuation allowance may be required.

#### **Revenue Recognition**

In May 2014 the FASB issued a major update to the ASC, Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)* (ASC 606). The Company adopted the updates in ASC 606 effective January 1, 2018 on a modified retrospective basis but did not record a cumulative effect adjustment to retained earnings on application of the updates because the adoption of the updates in ASC 606 had no material impact on the timing of revenue recognition for the Company or its subsidiaries. ASC 606 is a comprehensive, principles-based accounting standard which amended previous revenue recognition guidance with the objective of improving revenue recognition requirements by providing a single comprehensive model to determine the measurement of revenue and the timing of revenue recognition. ASC 606 requires expanded disclosures to enable users of financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

Due to the diverse business operations of the Company, recognition of revenue from contracts with customers depends on the product produced and sold or service performed. The Company recognizes revenue from contracts with customers, at prices that are fixed or determinable as evidenced by an agreement with the customer, when the Company has met its performance obligation under the contract and it is probable that the Company will collect the amount to which it is entitled in exchange for the goods or services transferred or to be transferred to the customer. Depending on the product produced and sold or service performed and the terms of the agreement with the customer, the Company recognizes revenue either over time, in the case of delivery or transmission of electricity or related services or the production and storage of certain custom-made products, or at a point in time for the delivery of standardized products and other products made to the customers specifications where the terms of the contract require transfer of the completed product. Provisions for sales returns, early payment terms discounts, volume-based variable pricing incentives and warranty costs are recorded as reductions to revenue at the time revenue is recognized based on customer history, historical information and current trends.

In addition to recognizing revenue from contracts with customers under ASC 606, the Company also records adjustments to Electric segment revenues for amounts subject to future collection under alternative revenue programs (ARPs) as defined in ASC 980. The ARP revenue adjustments are recorded on the basis of recoverable costs incurred and returns earned under rate riders on a separate line on the face of the Company's consolidated statements of income as they do not meet the criteria to be classified as revenue from contracts with customers.

**Electric Segment Revenues**—In the Electric segment, the Company recognizes revenue in two categories: (1) revenues from contracts with customers and (2) adjustments to revenues for amounts collectible under ARPs.

Most Electric segment revenues are earned from the generation, transmission and sale of electricity to retail customers at rates approved by regulatory commissions in the states where OTP provides service. OTP also earns revenue from the transmission of electricity for others over the transmission assets it owns separately, or jointly with other

transmission service providers, under rate tariffs established by the independent transmission system operator and approved by the FERC. A third source of revenue for OTP comes from the generation and sale of electricity to wholesale customers at contract or market rates. Revenues from all these sources meet the criteria to be classified as revenue from contracts with customers and are recognized over time as energy is delivered or transmitted. Revenue is recognized based on the metered quantity of electricity delivered or transmitted at the applicable rates. For electricity delivered and consumed after a meter is read but prior to the end of the reporting period, OTP records revenue and an unbilled receivable based on estimates of the kilowatt-hours (kwh) of energy delivered to the customer.

ARPs provide for adjustments to rates outside of a general rate case proceeding, usually as a surcharge applied to future billings typically through the use of rate riders subject to periodic adjustments, to encourage or incentivize investments in certain areas such as conservation, renewable energy, pollution reduction or control, improved infrastructure of the transmission grid or other programs that provide benefits to the general public under public policy, laws or regulations. ARP riders generally provide for the recovery of specified costs and investments and include an incentive component to provide the regulated utility with a return on amounts invested.

OTP has recovered costs and earned incentives or returns on investments subject to recovery under several ARP rate riders, including:

- ▶ In Minnesota: Transmission Cost Recovery (TCR), Environmental Cost Recovery (ECR), Renewable Resource Adjustment (RRA), Energy Intensive Trade Exposed and Conservation Improvement Program riders.
- ▶ In North Dakota: TCR, ECR, RRA and Generation Cost Recovery (GCR) riders.
- ▶ In South Dakota: TCR, ECR, Phase-in Rate Plan and Energy Efficiency Plan (conservation) riders.

OTP accrues ARP revenue on the basis of costs incurred, investments made and returns on those investments that qualify for recovery through established riders. Amounts billed under riders in effect at the time of the billing are included in revenues from contracts with customers net of amounts billed that are subject to refund through future rider adjustments. Amounts accrued and subject to recovery through future rider rate updates and adjustments are reported as changes in accrued revenues under ARPs on a separate line in the revenue section of the Company's consolidated statement of income. See table in note 3 to consolidated financial statements for total revenues billed and accrued under ARP riders for the years ended December 31, 2019, 2018 and 2017.

**Manufacturing Segment Revenues**—Companies in the Manufacturing segment, BTD Manufacturing, Inc. (BTD) and T.O. Plastics, Inc. (T.O. Plastics), earn revenue predominantly from the production and delivery of custom-made or standardized parts to customers across several industries. BTD also earns revenue from the production and sale of tools and dies to other manufacturers. For the production and delivery of standardized products and other products made to customer specifications where the terms of the contract require transfer of the completed product, the operating company has met its performance obligation and recognizes revenue at the point in time when the product is shipped. For revenue recognized on products when shipped, the operating companies have no further obligation to provide services related to such products. The shipping terms used in these instances are FOB shipping point.

**Plastics Segment Revenues**—Companies in our Plastics segment earn revenue predominantly from the sale and delivery of standardized polyvinyl chloride (PVC) pipe products produced at their manufacturing facilities. Revenue from the sale of these products is recognized at the point in time when the product is shipped based on prices agreed to in a purchase order. For revenue recognized on shipped products, there is no further obligation to provide services related to such products. The shipping terms used in these instances are FOB shipping point. The Plastics segment has one customer for which it produces and stores a product made to the customer's specifications and design under a build and hold agreement. For sales to this customer, the operating company recognizes revenue as the custom-made product is produced, adjusting the amount of revenue for volume rebate variable pricing considerations the operating company expects the customer will earn and applicable early payment discounts the company expects the customer will take. Ownership of the pipe transfers to the customer prior to delivery and the operating company is paid a negotiated fee for storage of the pipe. Revenue for storage of the pipe is also recognized over time as the pipe is stored.

See operating revenue table in note 2 to consolidated financial statements for a disaggregation of the Company's revenues by business segment for the years ended December 31, 2019, 2018 and 2017.

#### **Agreements Subject to Legally Enforceable Netting Arrangements**

OTP has certain derivative contracts that are designated as normal purchases. Individual counterparty exposures for these contracts can be offset according to legally enforceable netting arrangements. The Company does not offset assets and liabilities under legally enforceable netting arrangements on the face of its consolidated balance sheet.

#### **Warranty Reserves**

Certain products sold by the Company's manufacturing and plastics companies carry product warranties for one year after the shipment date. These companies' standard product warranty terms generally include post-sales support and repairs or replacement of a product at no additional charge for a specified period of time. While these companies engage in extensive product quality programs and processes, including actively monitoring and evaluating the quality of their component suppliers, they base their estimated warranty obligations on warranty terms, ongoing product failure rates, repair costs, product call rates, average cost per call, and current period product shipments. The Company's manufacturing and plastics companies have not incurred any significant warranty costs over the last three fiscal years.

#### **Shipping and Handling Costs**

The Company includes revenues received for shipping and handling in operating revenues. Expenses paid for shipping and handling are recorded as part of cost of goods sold.

#### **Use of Estimates**

The Company uses estimates based on the best information available in recording transactions and balances resulting from business operations. As better information becomes available (or actual amounts are known), the recorded estimates are revised. Consequently, operating results can be affected by revisions to prior accounting estimates.

#### **Cash Equivalents**

The Company considers all highly liquid debt instruments purchased with maturity of 90 days or less to be cash equivalents.

## Investments

The following table provides a breakdown of the Company's investments at December 31:

| (in thousands)                             | 2019     | 2018     |
|--------------------------------------------|----------|----------|
| Cost Method:                               |          |          |
| Economic Development Loan Pools            | \$ 24    | \$ 34    |
| Other                                      | 73       | 123      |
| Equity Method Partnerships                 | 27       | 26       |
| Marketable Debt Securities Classified as   |          |          |
| Available-for-Sale                         | 8,184    | 7,484    |
| Marketable Equity Securities Classified as |          |          |
| Available-for-Sale                         | 1,586    | 1,294    |
| Total Investments                          | \$ 9,894 | \$ 8,961 |

The Company's marketable securities classified as available-for-sale are held for insurance purposes and are reflected at their fair values on December 31, 2019. See further discussion below.

## Inventories

Inventories, valued at the lower of cost or net realizable value, consist of the following:

|                                 | December 31, 2019 | December 31, 2018 |
|---------------------------------|-------------------|-------------------|
| (in thousands)                  |                   |                   |
| Finished Goods                  | \$ 31,863         | \$ 37,130         |
| Work in Process                 | 16,508            | 20,393            |
| Raw Material, Fuel and Supplies | 49,480            | 48,747            |
| Total Inventories               | \$ 97,851         | \$ 106,270        |

## Fair Value Measurements

The Company follows ASC Topic 820, *Fair Value Measurements and Disclosures* (ASC 820), for recurring fair value measurements. ASC 820 provides a single definition of fair value, requires enhanced disclosures about assets and liabilities measured at fair value and establishes a hierarchical framework for disclosing the observability of the inputs utilized in measuring assets and liabilities at fair value. The three levels defined by the hierarchy and examples of each level are as follows:

**Level 1**—Quoted prices are available in active markets for identical assets or liabilities as of the reported date. The types of assets and liabilities included in Level 1 are highly liquid and actively traded instruments with quoted prices, such as equities listed by the New York Stock Exchange and commodity derivative contracts listed on the New York Mercantile Exchange.

**Level 2**—Pricing inputs are other than quoted prices in active markets but are either directly or indirectly observable as of the reported date. The types of assets and liabilities included in Level 2 are typically either comparable to actively traded securities or contracts, such as treasury securities with pricing interpolated from recent trades of similar securities, or priced with models using highly observable inputs, such as commodity options priced using observable forward prices and volatilities.

**Level 3**—Significant inputs to pricing have little or no observability as of the reporting date. The types of assets and liabilities included in Level 3 are those with inputs requiring significant management judgment or estimation and may include complex and subjective models and forecasts.

The following tables present, for each of the hierarchy levels, the Company's assets and liabilities that are measured at fair value on a recurring basis as of December 31, 2019 and December 31, 2018:

| December 31, 2019 (in thousands)                                                                          | Level 1  | Level 2  | Level 3 |
|-----------------------------------------------------------------------------------------------------------|----------|----------|---------|
| <b>Assets:</b>                                                                                            |          |          |         |
| Investments:                                                                                              |          |          |         |
| Equity Funds—Held by Captive Insurance Company                                                            | \$ 1,586 |          |         |
| Corporate Debt Securities—Held by Captive Insurance Company                                               |          | \$ 2,124 |         |
| Government-Backed and Government-Sponsored Enterprises' Debt Securities—Held by Captive Insurance Company |          | 6,060    |         |
| Other Assets:                                                                                             |          |          |         |
| Money Market and Mutual Funds—Retirement Plans                                                            | 2,363    |          |         |
| Total Assets                                                                                              | \$ 3,949 | \$ 8,184 |         |

| December 31, 2018 (in thousands)                                                                          | Level 1  | Level 2  | Level 3 |
|-----------------------------------------------------------------------------------------------------------|----------|----------|---------|
| <b>Assets:</b>                                                                                            |          |          |         |
| Investments:                                                                                              |          |          |         |
| Equity Funds—Held by Captive Insurance Company                                                            | \$ 1,294 |          |         |
| Corporate Debt Securities—Held by Captive Insurance Company                                               |          | \$ 5,898 |         |
| Government-Backed and Government-Sponsored Enterprises' Debt Securities—Held by Captive Insurance Company |          | 1,586    |         |
| Other Assets:                                                                                             |          |          |         |
| Money Market and Mutual Funds—Nonqualified Retirement Savings Plan                                        | 838      |          |         |
| Total Assets                                                                                              | \$ 2,132 | \$ 7,484 |         |

The level 2 fair values for Government-Backed and Government-Sponsored Enterprises' and Corporate Debt Securities Held by the Company's Captive Insurance Company are determined on the basis of valuations provided by a third-party pricing service which utilizes industry accepted valuation models and observable market inputs to determine valuation. Some valuations or model inputs used by the pricing service may be based on broker quotes.

## Goodwill and Other Intangible Assets

The Company accounts for goodwill and other intangible assets in accordance with the requirements of ASC Topic 350, *Intangibles—Goodwill and Other*, measuring its goodwill for impairment annually in the fourth quarter, and more often when events indicate the assets may be impaired. The Company does qualitative assessments of its reporting units with recorded goodwill to determine if it is more likely than not that the fair value of the reporting unit exceeds its book value. The Company also does quantitative assessments of its reporting units with recorded goodwill to determine the fair value of the reporting unit.

The following tables summarize changes to goodwill by business segment during 2019 and 2018:

| (in thousands) | Gross Balance<br>December 31,<br>2018 | Accumulated<br>Impairments | Balance<br>(net of impairments)<br>December 31,<br>2018 | Adjustments<br>to Goodwill in<br>2019 | Balance<br>(net of impairments)<br>December 31,<br>2019 |
|----------------|---------------------------------------|----------------------------|---------------------------------------------------------|---------------------------------------|---------------------------------------------------------|
| Manufacturing  | \$ 18,270                             | \$ —                       | \$ 18,270                                               | \$ —                                  | \$ 18,270                                               |
| Plastics       | 19,302                                | —                          | 19,302                                                  | —                                     | 19,302                                                  |
| Total          | \$ 37,572                             | \$ —                       | \$ 37,572                                               | \$ —                                  | \$ 37,572                                               |

| (in thousands) | Gross Balance<br>December 31,<br>2017 | Accumulated<br>Impairments | Balance<br>(net of impairments)<br>December 31,<br>2017 | Adjustments<br>to Goodwill in<br>2018 | Balance<br>(net of impairments)<br>December 31,<br>2018 |
|----------------|---------------------------------------|----------------------------|---------------------------------------------------------|---------------------------------------|---------------------------------------------------------|
| Manufacturing  | \$ 18,270                             | \$ —                       | \$ 18,270                                               | \$ —                                  | \$ 18,270                                               |
| Plastics       | 19,302                                | —                          | 19,302                                                  | —                                     | 19,302                                                  |
| Total          | \$ 37,572                             | \$ —                       | \$ 37,572                                               | \$ —                                  | \$ 37,572                                               |

Intangible assets with finite lives are amortized over their estimated useful lives and reviewed for impairment in accordance with requirements under ASC Topic 360-10-35, *Property, Plant, and Equipment—Overall—Subsequent Measurement*.

The following table summarizes the components of the Company's intangible assets at December 31, 2019 and December 31, 2018:

| December 31, 2019 (in thousands) | Gross Carrying<br>Amount | Accumulated<br>Amortization | Net Carrying<br>Amount | Remaining Amortization<br>Periods (months) |
|----------------------------------|--------------------------|-----------------------------|------------------------|--------------------------------------------|
| Amortizable Intangible Assets:   |                          |                             |                        |                                            |
| Customer Relationships           | \$ 22,491                | \$ 11,259                   | \$ 11,232              | 88–188                                     |
| Other                            | 179                      | 121                         | 58                     | 8–45                                       |
| Total                            | \$ 22,670                | \$ 11,380                   | \$ 11,290              |                                            |
| December 31, 2018 (in thousands) |                          |                             |                        |                                            |
| Amortizable Intangible Assets:   |                          |                             |                        |                                            |
| Customer Relationships           | \$ 22,491                | \$ 10,127                   | \$ 12,364              | 12–200                                     |
| Other                            | 154                      | 68                          | 86                     | 20                                         |
| Total                            | \$ 22,645                | \$ 10,195                   | \$ 12,450              |                                            |

The amortization expense for these intangible assets was:

| (in thousands)                         | 2019     | 2018     | 2017     |
|----------------------------------------|----------|----------|----------|
| Amortization Expense—Intangible Assets | \$ 1,186 | \$ 1,315 | \$ 1,347 |

The estimated annual amortization expense for these intangible assets for the next five years is:

| (in thousands)                                   | 2020     | 2021     | 2022     | 2023     | 2024     |
|--------------------------------------------------|----------|----------|----------|----------|----------|
| Estimated Amortization Expense—Intangible Assets | \$ 1,140 | \$ 1,105 | \$ 1,105 | \$ 1,104 | \$ 1,099 |

## Supplemental Disclosures of Cash Flow Information

| (in thousands)                                                | As of December 31, |           |
|---------------------------------------------------------------|--------------------|-----------|
|                                                               | 2019               | 2018      |
| Noncash Investing Activities:                                 |                    |           |
| Transactions Related to Capital Additions not Settled in Cash | \$ 37,429          | \$ 13,757 |

| (in thousands)                       | 2019      | 2018      | 2017      |
|--------------------------------------|-----------|-----------|-----------|
| Cash Paid During the Year for:       |           |           |           |
| Interest (net of amount capitalized) | \$ 30,132 | \$ 28,109 | \$ 29,791 |
| Income Taxes                         | \$ 4,797  | \$ 6,109  | \$ 5,064  |



### New Accounting Standards Adopted

**ASU 2016-02**—In February 2016 the FASB issued ASU No. 2016-02, *Leases (Topic 842)* (ASU 2016-02). ASU 2016-02 is a comprehensive amendment of the ASC, creating Topic 842, which supersedes the requirements under ASC Topic 840 on leases and requires the recognition of lease assets and lease liabilities on the balance sheet and the disclosure of key information about leasing arrangements. The amendments in ASU 2016-02 are effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. The main difference between previous Generally Accepted Accounting Principles in the United States (GAAP) and Topic 842 is the recognition of lease assets and lease liabilities by lessees for those leases classified as operating leases under previous GAAP. The Company adopted the amendments in ASU 2016-02 to its consolidated financial statements effective January 1, 2019. See note 8 to consolidated financial statements for further information on leases and the Company's elections for applying the new standard.

**ASU 2017-04**—In January 2017 the FASB issued ASU No. 2017-04, *Intangibles—Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment* (ASU 2017-04), which simplifies how an entity is required to test goodwill for impairment by eliminating Step 2 from the goodwill impairment test. Step 2 measures a goodwill impairment loss by comparing the implied fair value of a reporting unit's goodwill with the carrying amount of that goodwill. In computing the implied fair value of goodwill under Step 2, an entity must perform procedures to determine the fair value at the impairment testing date of its assets and liabilities (including unrecognized assets and liabilities) following the procedure that would be required in determining the fair value of

assets acquired and liabilities assumed in a business combination. Under the amendments in ASU 2017-04, an entity will perform its annual, or interim, goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount. An entity will recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value; however, the loss recognized will not exceed the total amount of goodwill allocated to that reporting unit. Additionally, an entity will consider income tax effects from any tax-deductible goodwill on the carrying amount of the reporting unit when measuring the goodwill impairment loss, if applicable.

The amendments in ASU 2017-04 modify the concept of impairment from the condition that exists when the carrying amount of goodwill exceeds its implied fair value to the condition that exists when the carrying amount of a reporting unit exceeds its fair value. An entity no longer will determine goodwill impairment by calculating the implied fair value of goodwill by assigning the fair value of a reporting unit to all of its assets and liabilities as if that reporting unit had been acquired in a business combination. Because these amendments eliminate Step 2 from the goodwill impairment test, they should reduce the cost and complexity of evaluating goodwill for impairment. The amendments in ASU 2017-04 are effective for annual or any interim goodwill impairment tests in fiscal years beginning after December 15, 2019. Early adoption is permitted for interim or annual goodwill impairment tests performed on testing dates after January 1, 2017. The Company early adopted the amendments in ASU 2017-04 in the first quarter of 2019. The Company had no indication that any of its goodwill was impaired, and therefore, the adoption of the updated standard had no impact on the Company's consolidated financial statements.

**ASU 2018-02**—In February 2018 the FASB issued ASU No. 2018-02, *Income Statement—Reporting Comprehensive Income (Topic 220): Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income* (ASU 2018-02). The amendments in ASU 2018-02, which are narrow in scope, allow a reclassification from accumulated other comprehensive income/loss (AOCI/(L)) to retained earnings for stranded tax effects resulting from the 2017 Tax Cuts and Jobs Act (TCJA). Consequently, the amendments eliminate the stranded tax effects resulting from the TCJA and will improve the usefulness of information reported to financial statement users. The amendments in ASU 2018-02 also require certain disclosures about stranded tax effects and are effective for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years. The amendments in ASU 2018-02 can be applied either in the period of adoption or retrospectively to each period (or periods) in which the effect of the change in the U.S. federal corporate income tax rate in the TCJA is recognized.

The Company adopted the updates in ASU 2018-02 effective January 1, 2019, applying them in the period of adoption and not retrospectively. On adoption, the Company reclassified \$784,000 of income tax effects of the TCJA on the gross deferred tax amounts reflected in AOCI/(L) at the date of enactment of the TCJA and AOCI/(L) to retained earnings so the remaining gross deferred tax amounts related to items in AOCI/(L) will reflect current effective tax rates.

Support for the determination of the stranded tax effects resulting from the enactment of the TCJA in AOCI/(L) is provided in the table below.

| (in thousands)                                                              | Unrealized Gains on Available-for-Sale Securities | Unamortized Actuarial Losses and Prior Service Costs on Pension and Other Postretirement Benefits | AOCI/(L)   |
|-----------------------------------------------------------------------------|---------------------------------------------------|---------------------------------------------------------------------------------------------------|------------|
| Balance on December 22, 2017—Pre-tax                                        | \$ 71                                             | \$ (5,672)                                                                                        | \$ (5,601) |
| Effect of TCJA 14% Federal Tax Rate Reduction on Gross Deferred Tax Amounts | \$ 10                                             | \$ (794)                                                                                          | \$ (784)   |

### New Accounting Standards Pending Adoption

**ASU 2016-13**—In June 2016 the FASB issued ASU No. 2016-13, *Financial Instruments—Credit Losses (Topic 326)* (ASC 326), which changes how entities account for credit losses on receivables and certain other assets. The guidance requires use of a current expected credit loss model, which may result in earlier recognition of credit losses than under previous accounting standards. ASC 326 is effective for interim and annual periods beginning on or after December 15, 2019. The Company has reviewed its outstanding investments and receivables that will be subject to evaluation for credit losses under the new standard and determined that application of the new expected loss model will not have a material impact on its current calculation of credit losses and allowance for doubtful accounts balance. The Company will apply ASC 326 to its consolidated financial statements in the first quarter of 2020. Adoption of the new standard will not have a material impact on the Company's consolidated financial statements and the Company will not record a cumulative effect adjustment to retained earnings on adoption.

**ASU 2018-15**—In August 2018 the FASB issued ASU No. 2018-15, *Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40)*, which amends ASC 350-40, *Internal-Use Software*, to address a customer's accounting for implementation costs incurred in a cloud computing arrangement that is a service contract. The amendments in ASU 2018-15 align the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software (and hosting arrangements that include an internal-use software license). Accordingly, the amendments in ASU 2018-15 require an entity (customer) in a hosting arrangement that is a service contract to follow the guidance in ASC 350-40 to determine which implementation costs to capitalize as an asset related to the service contract and which costs to expense. The amendments in ASU 2018-15 also require the entity to present the expense related to the capitalized implementation costs in the same line item in the statement of income as the fees associated with the hosting element (service) of the arrangement and classify payments for capitalized implementation costs in the statement of cash flows in the same manner as payments made for fees associated with the hosting element. The entity is also required to present the capitalized implementation costs in the statement of financial position in the same line item that a prepayment for the fees of the associated hosting arrangement would be presented. The amendments in ASU 2018-15 are effective for interim and annual periods beginning on or after December 15, 2019 with early adoption permitted in any interim period. The Company will adopt the amendments in ASU 2018-15 in the first quarter of 2020 and expects there will be no impact to its consolidated financial statements on adoption but does expect to begin capitalizing implementation costs incurred in cloud computing arrangements post-adoption.

## 2. Business Segment Information

The accounting policies of the segments are described under note 1—Summary of Significant Accounting Policies. The Company's businesses have been classified into three segments to be consistent with its business strategy and the reporting and review process used by the Company's chief operating decision maker. These businesses sell products and provide services to customers primarily in the United States. The Company's business structure currently includes the following three segments: Electric, Manufacturing and Plastics. The chart below indicates the operating companies included in each segment.

| ELECTRIC                 | MANUFACTURING           | PLASTICS                     |
|--------------------------|-------------------------|------------------------------|
| Otter Tail Power Company | BTD Manufacturing, Inc. | Northern Pipe Products, Inc. |
|                          | T.O. Plastics, Inc.     | Vinyltech Corporation        |

Electric includes the production, transmission, distribution and sale of electric energy in Minnesota, North Dakota and South Dakota by OTP. In addition, OTP is a participant in the Midcontinent Independent System Operator, Inc. (MISO) markets. OTP's operations have been the Company's primary business since 1907.

Manufacturing consists of businesses in the following manufacturing activities: contract machining, metal parts stamping, fabrication and painting, and production of plastic thermoformed horticultural containers, life science and industrial packaging, and material handling components. These businesses have manufacturing facilities in Georgia, Illinois and Minnesota and sell products primarily in the United States.

Plastics consists of businesses producing PVC pipe at plants in North Dakota and Arizona. The PVC pipe is sold primarily in the upper Midwest and Southwest regions of the United States.

OTP is a wholly owned subsidiary of the Company. All of the Company's other businesses are owned by its wholly owned subsidiary, Varistar Corporation. The Company's Corporate operating costs include items such as corporate staff and overhead costs, the results of the Company's captive insurance company and other items excluded from the measurement of operating segment performance. Corporate assets consist primarily of cash, prepaid expenses, investments and fixed assets. Corporate is not an operating segment. Rather, it is added to operating segment totals to reconcile to totals on the Company's consolidated financial statements.

No single customer accounted for over 10% of the Company's consolidated revenues in 2019, 2018 and 2017. While no single customer accounted for over 10% of consolidated revenue in 2019, certain customers provided a significant portion of each business segment's 2019 revenue. The Electric segment has one customer that provided 11.9% of 2019 segment revenues. The Manufacturing segment has one customer that manufactures and sells recreational vehicles that provided 23.8% of 2019 segment revenues and one customer that manufactures and sells lawn and garden equipment that provided 11.1% of 2019 segment revenues. The Manufacturing segment's top five revenue-generating customers provided over 54% of 2019 segment revenues. The Plastics segment has two customers that individually provided 25.3% and 20.4% of 2019 segment revenues. The loss of any one of these customers would have a significant negative impact on the financial position and results of operations of the respective business segment and the Company.

All the Company's long-lived assets are within the United States and sales within the United States accounted for 98.8% of sales in 2019, 98.4% of sales in 2018 and 98.2% of sales in 2017.

The Company evaluates the performance of its business segments and allocates resources to them based on earnings contribution and return on total invested capital. Information for the business segments for 2019, 2018 and 2017 is presented in the following table:

| <i>(in thousands)</i>                | 2019       | 2018       | 2017       |
|--------------------------------------|------------|------------|------------|
| Operating Revenue                    |            |            |            |
| Electric Segment:                    |            |            |            |
| Retail Sales Revenue from            |            |            |            |
| Contracts with Customers             | \$ 405,446 | \$ 388,690 | \$ 376,902 |
| Changes in Accrued ARP Revenues      | 1,032      | (439)      | (1,971)    |
| Total Retail Sales Revenue           | 406,478    | 388,251    | 374,931    |
| Transmission Services Revenue        | 40,542     | 46,947     | 46,664     |
| Wholesale Revenues—                  |            |            |            |
| Company Generation                   | 5,007      | 7,735      | 5,173      |
| Other Electric Revenues              | 7,070      | 7,322      | 7,769      |
| Total Electric Segment Revenues      | 459,097    | 450,255    | 434,537    |
| Manufacturing Segment:               |            |            |            |
| Metal Parts and Tooling              | 236,032    | 223,765    | 189,242    |
| Plastic Products and Tooling         | 35,173     | 35,836     | 33,939     |
| Other                                | 5,999      | 8,808      | 6,557      |
| Total Manufacturing Segment Revenues | 277,204    | 268,409    | 229,738    |
| Plastics Segment—Sale of             |            |            |            |
| PVC Pipe Products                    | 183,257    | 197,840    | 185,132    |
| Intersegment Eliminations            | (55)       | (57)       | (57)       |
| Total                                | \$ 919,503 | \$ 916,447 | \$ 849,350 |
| Cost of Products Sold                |            |            |            |
| Manufacturing                        | \$ 215,179 | \$ 205,699 | \$ 176,473 |
| Plastics                             | 139,974    | 148,881    | 140,107    |
| Intersegment Eliminations            | (34)       | (21)       | (18)       |
| Total                                | \$ 355,119 | \$ 354,559 | \$ 316,562 |
| Other Nonelectric Expenses           |            |            |            |
| Manufacturing                        | \$ 29,895  | \$ 29,650  | \$ 23,785  |
| Plastics                             | 11,393     | 12,323     | 11,564     |
| Corporate                            | 9,515      | 9,607      | 6,182      |
| Intersegment Eliminations            | (21)       | (36)       | (39)       |
| Total                                | \$ 50,782  | \$ 51,544  | \$ 41,492  |
| Depreciation and Amortization        |            |            |            |
| Electric                             | \$ 60,044  | \$ 55,935  | \$ 53,276  |
| Manufacturing                        | 14,261     | 14,794     | 15,379     |
| Plastics                             | 3,451      | 3,719      | 3,817      |
| Corporate                            | 330        | 218        | 73         |
| Total                                | \$ 78,086  | \$ 74,666  | \$ 72,545  |
| Operating Income (Loss)              |            |            |            |
| Electric                             | \$ 98,417  | \$ 88,031  | \$ 94,797  |
| Manufacturing                        | 17,869     | 18,266     | 14,101     |
| Plastics                             | 28,439     | 32,917     | 29,644     |
| Corporate                            | (9,845)    | (9,825)    | (6,255)    |
| Total                                | \$ 134,880 | \$ 129,389 | \$ 132,287 |

| <i>(in thousands)</i>                   | 2019        | 2018        | 2017        |
|-----------------------------------------|-------------|-------------|-------------|
| Interest Charges                        |             |             |             |
| Electric                                | \$ 26,548   | \$ 26,365   | \$ 25,334   |
| Manufacturing                           | 2,345       | 2,230       | 2,215       |
| Plastics                                | 718         | 609         | 633         |
| Corporate and Intersegment Eliminations | 1,800       | 1,204       | 1,422       |
| Total                                   | \$ 31,411   | \$ 30,408   | \$ 29,604   |
| Income Tax Expense (Benefit)            |             |             |             |
| Electric                                | \$ 12,867   | \$ 5,685    | \$ 17,013   |
| Manufacturing                           | 2,784       | 3,393       | 989         |
| Plastics                                | 7,309       | 8,728       | 7,448       |
| Corporate                               | (5,519)     | (3,218)     | 1,806       |
| Total                                   | \$ 17,441   | \$ 14,588   | \$ 27,256   |
| Net Income (Loss)                       |             |             |             |
| Electric                                | \$ 59,046   | \$ 54,431   | \$ 49,446   |
| Manufacturing                           | 12,899      | 12,839      | 11,050      |
| Plastics                                | 20,572      | 23,819      | 21,696      |
| Corporate                               | (5,670)     | (8,744)     | (9,753)     |
| Total                                   | \$ 86,847   | \$ 82,345   | \$ 72,439   |
| Capital Expenditures                    |             |             |             |
| Electric                                | \$ 187,362  | \$ 87,287   | \$ 118,444  |
| Manufacturing                           | 14,268      | 13,316      | 9,916       |
| Plastics                                | 5,452       | 4,199       | 4,432       |
| Corporate                               | 283         | 623         | 121         |
| Total                                   | \$ 207,365  | \$ 105,425  | \$ 132,913  |
| Identifiable Assets                     |             |             |             |
| Electric                                | \$1,931,525 | \$1,728,534 | \$1,690,224 |
| Manufacturing                           | 195,742     | 187,556     | 167,023     |
| Plastics                                | 92,049      | 91,630      | 87,230      |
| Corporate                               | 54,279      | 44,797      | 59,801      |
| Total                                   | \$2,273,595 | \$2,052,517 | \$2,004,278 |

### 3. Rate and Regulatory Matters

Below are descriptions of OTP's major capital expenditure projects that have had, or are expected to have, a significant impact on OTP's revenue requirements, rates and alternative revenue recovery mechanisms, followed by summaries of specific general rate proceedings and descriptions of rate riders and a summary of rate rider proceedings with the Minnesota Public Utilities Commission (MPUC), the North Dakota Public Service Commission (NDPSC), the South Dakota Public Utilities Commission (SDPUC) and the FERC, impacting OTP's revenues in 2019, 2018 and 2017.

#### MAJOR CAPITAL EXPENDITURE PROJECTS

**Merricourt Wind Energy Center (Merricourt)**—On November 16, 2016 OTP entered into an Asset Purchase Agreement (the Purchase Agreement) with EDF Renewable Development, Inc. and certain of its affiliated companies (collectively, EDF) to purchase and assume the development assets and certain specified liabilities associated with Merricourt, a 150-megawatt (MW) wind farm in southeastern North Dakota, for a purchase price of approximately \$34.7 million, subject to adjustments for interconnection costs. Also on November 16, 2016, OTP entered into a Turnkey Engineering, Procurement and Construction Services Agreement (the TEPC Agreement) with EDF-RE US Development, LLC (EDF-USD) pursuant to which EDF-USD will develop, design, procure, construct, interconnect, test and commission the wind farm with a targeted completion date in 2020 for consideration of approximately \$200.5 million, subject to certain adjustments, payable following the closing of the Purchase Agreement in installments in connection with certain project construction milestones. The agreements contain customary representations, warranties, covenants and indemnities for this type of transaction. On October 26, 2017 the MPUC approved the facility under the Renewable Energy Standard making Merricourt eligible for cost recovery under the Minnesota Renewable Resource Recovery rider, subject to qualifications and reporting obligations. The MPUC's final written order was issued on January 10, 2018. A final order for an Advance Determination of Prudence (ADP) for Merricourt, subject to qualifications and compliance obligations, and a Certificate of Public Convenience and Necessity were issued by the NDPSC on November 3, 2017. The phase-in rider approved by order of the SDPUC on March 6, 2019 includes recovery of Merricourt costs. The Merricourt generator interconnection agreement with MISO was approved by the FERC in April 2019.

In connection with action by the FERC, OTP and EDF-US agreed, in the First Amendment to the Purchase Agreement and the TEPC Agreement dated June 11, 2019, to change the purchase price to \$37.7 million and to make a related reallocation of responsibility for interconnection costs and liabilities. On July 16, 2019 OTP closed on the purchase of substantially all of the development assets and assumed certain specified liabilities from EDF related to Merricourt pursuant to the Purchase Agreement, as amended, for a purchase price of approximately \$37.7 million, subject to certain adjustments, and issued the notice to EDF-USD to begin construction in August 2019. As of December 31, 2019, OTP had capitalized approximately \$81.7 million in project costs and allowance for funds used during construction (AFUDC) associated with Merricourt. OTP expects this project will be completed in October of 2020.

**Astoria Station**—OTP is constructing this 245 MW simple-cycle natural gas-fired combustion turbine generation facility near Astoria, South Dakota as part of its plan to reliably meet customers' electric needs, replace expiring capacity purchase agreements and prepare for the planned retirement of its Hoot Lake Plant in 2021. A final order granting an ADP for Astoria Station was issued by the NDPSC on November 3, 2017, subject to certain qualifications and compliance obligations. On August 3, 2018 the SDPUC issued an order granting a site permit for Astoria Station. In a September 26, 2018 hearing the NDPSC established a GCR rider for future recovery of costs incurred for Astoria Station. On March 6, 2019 the SDPUC issued an order approving a settlement that allows a phase-in rider which includes recovery of Astoria Station costs. The interconnection agreement for Astoria Station was executed by MISO in December 2018 and accepted by the FERC in January 2019. Site preparation and excavation began in May 2019. As of December 31, 2019, OTP had capitalized approximately \$58.7 million in project costs and AFUDC associated with Astoria Station. OTP expects this project will be completed in late 2020 or early 2021.

#### Big Stone South–Ellendale Multi-Value Transmission Project (MVP)—

This 345-kiloVolt transmission line, energized on February 6, 2019, extends 162 miles between a substation near Big Stone City, South Dakota and a substation near Ellendale, North Dakota. OTP jointly developed this project with Montana-Dakota Utilities Co., and the parties have equal ownership interest in the transmission line portion of the project. The MISO approved this project as an MVP under the MISO Open Access Transmission, Energy and Operating Reserve Markets Tariff (MISO Tariff) in December 2011. MVPs are designed to enable the MISO region to comply with energy policy mandates and to address reliability and economic issues affecting multiple areas within the MISO region. The cost allocation is designed to ensure the costs of transmission projects with regional benefits are properly assigned to those who benefit from the MVP. OTP capitalized costs of approximately \$106 million on this project, including assets that are 100% owned by OTP.

#### GENERAL RATES

**Minnesota**—The MPUC rendered its final decision in OTP's 2016 general rate case in March 2017 and issued its written order on May 1, 2017. Pursuant to the order, OTP's allowed rate of return on rate base is 7.5056% and its allowed rate of return on equity (ROE) is 9.41%.

The MPUC's order also included: (1) the determination that all costs (including FERC allocated costs and revenues) of the Big Stone South–Brookings and Big Stone South–Ellendale MVPs will be included in the Minnesota TCR rider and jurisdictionally allocated to OTP's Minnesota customers (see discussion under Minnesota Transmission Cost Recovery Rider below), and (2) approval of OTP's proposal to transition rate base, expenses and revenues from ECR and TCR riders to base rate recovery, which occurred when final rates were implemented on November 1, 2017. Certain MISO expenses and revenues will remain in the TCR rider to allow for the ongoing refund or recovery of these variable revenues and costs.

OTP accrued interim and rider rate refunds until final rates became effective. The final interim rate refund, including interest, of \$9.0 million was applied as a credit to Minnesota customers' electric bills beginning November 17, 2017. In addition to the interim rate refund, OTP refunded the difference between (1) amounts collected under its Minnesota ECR and TCR riders based on the ROE approved in its most recent rider

update and (2) amounts that would have been collected based on the lower 9.41% ROE approved in its 2016 general rate case going back to April 16, 2016, the date interim rates were implemented. The revenues collected under the Minnesota ECR and TCR riders subject to refund due to the lower ROE rate and other adjustments were \$0.9 million and \$1.4 million, respectively. These amounts were refunded to Minnesota customers over a 12-month period beginning in November 2017 through reductions in the Minnesota ECR and TCR rider rates.

**North Dakota**—On November 2, 2017 OTP filed a request with the NDPSC for a rate review and an effective increase in annual revenues from non-fuel base rates of \$13.1 million or 8.72%. The requested \$13.1 million increase was net of reductions in North Dakota RRA, TCR and ECR rider revenues that would have resulted from a lower allowed ROE and changes in allocation factors in the general rate case. In the request, OTP proposed an allowed return on rate base of 7.97% and an allowed ROE of 10.3%. On December 20, 2017 the NDPSC approved OTP's request for interim rates to increase annual revenue collections by \$12.8 million, effective January 1, 2018. In response to the reduction in the federal corporate tax rate under the TCJA, the NDPSC issued an order on February 27, 2018 reducing OTP's annual revenue requirement for interim rates by \$4.5 million to \$8.3 million, effective March 1, 2018.

On March 23, 2018 OTP made a supplemental filing to its initial request for a rate review, reducing its request for an annual revenue increase from \$13.1 million to \$7.1 million, a 4.8% annual increase. The \$6.0 million decrease included \$4.8 million related to tax reform and \$1.2 million related to other updates.

In a September 26, 2018 hearing the NDPSC approved an overall annual revenue increase of \$4.6 million (3.1%) and a ROE of 9.77% on a 52.5% equity capital structure. This compares with OTP's March 2018 adjusted annual revenue increase request of \$7.1 million (4.8%) and a requested ROE of 10.3%. The NDPSC's approval did not require any rate base adjustments from OTP's original request and established a GCR rider for future recovery of costs incurred for Astoria Station. The net revenue increase reflects a reduction in income tax recovery requirements related to the TCJA and decreases in rider revenue recovery requirements. Final rates were effective February 1, 2019, with refunds of excess revenues collected under interim rates applied to customers' April 2019 bills, including \$0.8 million for amounts collected reflecting the higher tax rates under interim rates in effect in January and February 2018.

**South Dakota**—On April 20, 2018 OTP filed a request with the SDPUC to increase non-fuel rates in South Dakota by approximately \$3.3 million annually, or 10.1%, as the first step in a two-step request. Interim rates were effective October 18, 2018. The second step in the request was an additional 1.7% revenue increase to recover costs for Merricourt when the wind generation facility goes into service.

The SDPUC approved a partial settlement on March 1, 2019 on all issues of the rate case except ROE. The partial settlement included approval of a phase-in plan to provide for a return on amounts invested in Astoria Station and Merricourt, which addressed the second step of the request for increased rates in South Dakota. The partial settlement also included a moratorium on filing another general rate case in South Dakota until the new generation projects have been in service for a year. The partial settlement also allowed OTP to retain the impact of lower tax rates related to the TCJA from January 1, 2018 through October 17, 2018 resulting in the reversal of an accrued refund liability and recognition of \$1.0 million in revenue in the first quarter of 2019. The SDPUC approved the ROE portion of the rate case on May 14, 2019.

Pursuant to the May 30, 2019 order, OTP's allowed ROE was set at 8.75%, resulting in an annual revenue increase of approximately \$2.2 million prior to the approval of a June 28, 2019 stipulation agreement discussed below. Final rates went into effect August 1, 2019. An interim rate refund for the lower ROE going back to October 18, 2018 was applied to South Dakota customers' October 2019 bills.

On July 9, 2019 the SDPUC approved a stipulation agreement entered into by OTP with SDPUC staff for the purpose of correcting a mistake in OTP's rate base in its 2018 general rate case docket. The revenue requirement stated in the SDPUC's final order dated May 30, 2019 understated the correct amount of OTP's South Dakota share of electric transmission plant in service by approximately \$4.1 million. For South Dakota ratemaking purposes, the understatement resulted in an annual revenue requirement shortfall of approximately \$341,000. To address the shortfall, the parties agreed that OTP would file an update to its South Dakota TCR rider. OTP was authorized full recovery of the transmission rate base correction reflected in the TCR rider tracker beginning as of the first date of interim rates, October 18, 2018, with the TCR rider rate update going into effect on October 1, 2019. The stipulation agreement had the effect of increasing the non-fuel annual revenue increase in the general rate case to approximately \$2.6 million or 7.7%, which is 69% of the adjusted requested annual revenue increase of approximately \$3.7 million or 11.1%.

To ensure rates are appropriately set under the stipulation, the parties agreed to establish an earnings sharing mechanism to share with customers any weather-normalized earnings above the authorized ROE of 8.75%. OTP's annual weather-normalized earnings are reported each year by June 1 in its jurisdictional annual report, which will be used to determine the earnings level for purposes of calculating any refund. The earnings sharing mechanism requires that OTP will refund to customers 50% of any weather-normalized revenue that corresponds to the earnings in excess of its authorized ROE, up to a maximum of 9.50% ROE for a particular year. OTP will refund 100% of any earnings above 9.50% each year. In the event a refund is due under this provision, OTP will notify the SDPUC of the refund amount and plan for crediting customers within 30 days of filing its South Dakota jurisdictional annual report.

## RATE RIDERS

OTP has several rate riders in place in each of its state jurisdictional service areas. These rate riders are designed to recover expenses, costs and returns on rate base investments not currently being recovered in base, or general, rates. Following is a brief description and summary of recent proceedings of riders in place in each state served by OTP followed by tables showing revenues recorded under rate riders in 2019, 2018 and 2017 and a listing of rate rider updates impacting revenues in 2019, 2018 and 2017.

## MINNESOTA

**Minnesota Conservation Improvement Programs (MNCIP)**—OTP recovers conservation related costs not included in base rates under the MNCIP through the use of an annual recovery mechanism approved by the MPUC. On May 25, 2016 the MPUC adopted changes to the MNCIP financial incentive. The model provides utilities an incentive of 13.5% of 2017 net benefits, 12% of 2018 net benefits and 10% of 2019 net benefits, assuming the utility achieves 1.7% savings compared to retail sales. The financial incentive is also limited to 40% of 2017 MNCIP spending, 35% of 2018 spending and 30% of 2019 spending. The new model reduces the MNCIP financial incentive by approximately 50% compared to the previous incentive mechanism. The Minnesota



Department of Commerce (MNDOC) issued a decision on May 20, 2019 to extend all utilities' 2017-2019 MNCIP plans one year, through 2020, with an incentive based on 30% of spending and 10% of net benefits.

Based on results from MNCIP 2019, 2018 and 2017 program years, OTP recognized financial incentives of \$2.7 million for 2019, \$3.0 million for 2018 and \$2.9 million for 2017, of which \$2.6 million was recognized in 2017 with \$0.3 million that had been reserved for potential future refund recognized in 2019.

**Transmission Cost Recovery Rider**—The Minnesota Public Utilities Act provides a mechanism for automatic adjustment outside of a general rate proceeding to recover the costs of new transmission facilities that meet certain criteria, plus a return on investment at the level approved in a utility's last general rate case. Additionally, following approval of the rate schedule, the MPUC may approve annual rate adjustments filed pursuant to the rate schedule.

In OTP's 2016 general rate case order issued on May 1, 2017, the MPUC ordered OTP to include, in the TCR rider retail rate base, Minnesota's jurisdictional share of OTP's investment in the Big Stone South-Brookings and Big Stone South-Ellendale MVPs and all revenues received from other utilities under MISO's tariffed rates as a credit in its TCR revenue requirement calculations. In doing so, the MPUC's order diverted interstate wholesale revenues that have been approved by the FERC to offset FERC-approved expenses, effectively reducing OTP's recovery of those FERC-approved expense levels. The MPUC-ordered treatment resulted in the projects being treated as retail investments for Minnesota retail ratemaking purposes. Because the FERC's revenue requirements and authorized returns vary from the MPUC revenue requirements and authorized returns for the project investments over the lives of the projects, the impact of this decision can vary over time and be dependent on the differences between the revenue requirements and returns in the two jurisdictions at any given time. On August 18, 2017 OTP filed an appeal of the MPUC general rate case order with the Minnesota Court of Appeals to contest the portion of the order requiring OTP to jurisdictionally allocate costs of the FERC MVP transmission projects in the TCR rider.

On June 11, 2018 the Minnesota Court of Appeals reversed the MPUC's order related to the inclusion of Minnesota's jurisdictional share of OTP's investment in the Big Stone South-Brookings and Big Stone South-Ellendale MVPs and all revenues received from other utilities under MISO's tariffed rates as a credit in OTP Minnesota TCR revenue requirement calculations. On July 11, 2018 the MPUC filed a petition for review of the MVP decision to the Minnesota Supreme Court, which granted review of the Minnesota Court of Appeals decision. A decision by the Minnesota Supreme Court is expected in the second quarter of 2020.

On November 30, 2018 OTP filed its annual update and supplemental filing to the Minnesota TCR rider. In this filing two scenarios were submitted based on whether the Minnesota Supreme Court affirms the original decision by the Minnesota Court of Appeals to exclude the MVP projects from the TCR rider or overturns the Minnesota Court of Appeals decision and includes the two MVP projects in the TCR rider. In addition, on April 1, 2019, the MNDOC filed comments in OTP's TCR rider docket, opposing OTP's proposal for TCR rider recovery of these costs. The MPUC is not expected to act on the TCR rider until after the Minnesota Supreme Court has acted and additional briefing has occurred in the docket. The estimated amount credited to Minnesota customers through the TCR rider through December 31, 2019, and subject to recovery if the Minnesota Court of Appeals decision is upheld is approximately \$2.6 million. If the Minnesota Court of Appeals decision is upheld, there will be additional briefing in the pending TCR rider docket regarding the recovery of these costs.

**Environmental Cost Recovery Rider**—OTP had an ECR rider for recovery of OTP's Minnesota jurisdictional share of the revenue requirements of its investment in the Big Stone Plant Air Quality Control System (AQCS). The ECR rider provided for a return on the project's construction work in progress (CWIP) balance at the level approved in OTP's 2010 general rate case. In its 2016 general rate case order, the MPUC approved OTP's proposal to transition eligible rate base and expense recovery from the ECR rider to base rate recovery effective with implementation of final rates in November 2017. Accordingly, in its 2018 annual update filing OTP requested, and the MPUC approved, setting the Minnesota ECR rider rate to zero effective December 1, 2018.

**Renewable Resource Adjustment**—Effective November 1, 2017, with the implementation of final rates in Minnesota, new rates were put into effect for the Minnesota RRA rider to address recovery of federal production tax credits (PTCs) expiring on OTP's wind farms in 2017 and 2018. On June 21, 2019 OTP filed its annual update to the Minnesota RRA requesting approval for recovery of the difference in PTCs in base rates and the actual PTCs generated, as well as recovery of Merricourt. On December 19, 2019 the MPUC approved a revised request which included changes related to Merricourt capitalized costs.

**Fuel and Purchased Power Costs Recovery**—In a December 2017 order, the MPUC adopted a program to implement certain procedural reforms to Minnesota utilities' automatic fuel adjustment clause (FAC) for fuel and purchased power cost recovery. With this order, the method of accounting for all Minnesota electric utilities changed to a monthly budgeted, forward-looking FAC with annual prudence review and true-up to actual allowed costs. On October 31, 2019 the MPUC approved the forecasted monthly fuel cost rates submitted by OTP for 2020 and the rates became effective on January 1, 2020. This mechanism could result in reductions in Electric segment operating income margins, increase variability in consolidated net income in future periods if costs per kwh vary from forecasted costs per kwh and cause an increase in working capital and short-term borrowings in the event recovery of all or a portion of excess costs is delayed or denied by the MPUC.

## **NORTH DAKOTA**

**Renewable Resource Adjustment**—OTP has a North Dakota RRA which enables OTP to recover its North Dakota jurisdictional share of investments in renewable energy facilities. This rider allows OTP to recover costs associated with new renewable energy projects as they are completed, along with a return on investment.

Effective in February 2019 with the implementation of general rates based on the results of OTP's 2017 general rate case, recovery of renewable resource costs previously being recovered through the North Dakota RRA rider transitioned to recovery in base rates.

On December 31, 2019 OTP filed its annual update to the North Dakota RRA requesting approval for recovery of the difference in PTCs in base rates and the actual PTCs generated, as well as a return on Merricourt costs incurred while under construction. This update also included a credit for the remaining unrefunded credit balance in the North Dakota ECR rider tracker on November 30, 2019.

**Transmission Cost Recovery Rider**—North Dakota law provides a mechanism for automatic adjustment outside of a general rate proceeding to recover jurisdictional capital and operating costs incurred by a public utility for new or modified electric transmission facilities. For qualifying projects, the law authorizes a current return on CWIP and a return on investment at the level approved in the utility's most recent general rate case. Based on the order in the 2017 general rate case, only certain costs remained subject to refund or recovery through this rider: Southwest Power Pool (SPP) costs and MISO Schedule 26 and 26A revenues and expenses and costs related to rider projects still under construction in the test year used in the 2017 general rate case.

On December 18, 2019 the NDPSC approved OTP's annual update to its North Dakota TCR rider. The filing included seven new projects, updated costs associated with existing projects, details about the pending MISO ROE complaint, and details about SPP related expenses.

**Environmental Cost Recovery Rider**—OTP has an ECR rider in North Dakota. The ECR rider provides for a return on investment at the level approved in OTP's preceding general rate case and recovery of OTP's North Dakota share of environmental investments and costs approved for recovery under the rider. Prior to its 2017 general rate case reaching a final settlement and final rates going into effect on February 1, 2019, OTP's North Dakota jurisdictional share of the revenue requirements associated with its investment in the Big Stone Plant AQCS and Hoot Lake Plant Mercury and Air Toxic Standards (MATS) projects were being recovered through the ECR rider. Effective February 1, 2019 these rate base investments are being recovered under general rates and the rider was zeroed out except for an overcollection balance that will be refunded to ratepayers through the North Dakota RRA annual update filed on December 31, 2019.

**Generation Cost Recovery Rider**—On May 15, 2019 the NDPSC approved OTP's request to establish an initial GCR rider rate for recovery of OTP's North Dakota jurisdictional share of the revenue requirements on its investment in Astoria Station, effective on bills rendered after July 1, 2019.

## **SOUTH DAKOTA**

**Transmission Cost Recovery Rider**—South Dakota law provides a mechanism for automatic adjustment outside of a general rate proceeding to recover jurisdictional capital and operating costs incurred by a public utility for new or modified electric transmission facilities. OTP has a TCR rider in South Dakota. A supplemental filing to update the rider was made on January 29, 2018 to reflect updated costs and collections and incorporate the impact of the reduction in the federal corporate income tax rate under the TCJA. Effective October 18, 2018, with the implementation of interim rates under South Dakota general rate case proceedings, the TCR rate was decreased as a result of recovery of certain costs being shifted to recovery in interim rates and included for ongoing recoveries in final base rates at the end of the 2018 general rate case.

OTP made a supplemental filing for the South Dakota TCR rider on February 1, 2019. On February 15, 2019 the SDPUC approved the supplemental filing and rates effective March 1, 2019. Two new projects were approved for recovery under the rider: The Lake Norden area transmission upgrade project with a recovery date effective January 1, 2019 and the Big Stone South—Ellendale project with a recovery date effective January 1, 2020.

On September 17, 2019 the SDPUC approved OTP's supplemental TCR rider filing update request to address the transmission rate base correction disclosed in the 2018 general rate case docket with updated rates effective October 1, 2019.

**Environmental Cost Recovery Rider**—OTP has an ECR rider in South Dakota. The ECR rider provides for a return on investment at the level approved in OTP's most recent general rate case and for recovery of OTP's South Dakota share of environmental investments and costs approved for recovery under the rider. Prior to interim rates going into effect on October 18, 2018 pending a final decision on OTP's South Dakota general rate increase request, OTP's South Dakota jurisdictional share of the revenue requirements associated with its investment in the Big Stone Plant AQCS and Hoot Lake Plant MATS projects were being recovered through the ECR rider. With the initiation of interim rates, recovery of the costs previously being recovered under the ECR rider was transitioned to recovery under interim rates and the South Dakota ECR rider rate was reset to provide a refund to customers while interim rates were in effect. The ending balance of the South Dakota ECR rider at the conclusion of interim rates was refunded to South Dakota customers along with their October 2019 interim rate refunds.

**Phase-In Rate Plan Rider**—On May 31, 2019 OTP petitioned the SDPUC for approval of its initial rate for the Phase-In Rate Plan Rider as described in OTP's most recent South Dakota general rate case settlement stipulation and was approved by the SDPUC's order in that rate case. The petition is OTP's initial filing for the rider to recover OTP's South Dakota share of actual and forecasted costs for Astoria Station and Merricourt, and to refund forecasted net benefits associated with additional load growth in the Lake Norden area.

On August 21, 2019 the SDPUC approved OTP's supplemental filing for its South Dakota Phase-In Rate Plan Rider effective September 1, 2019.

## RATE RIDER UPDATES

The following table provides summary information on the status of updates since January 1, 2016 for the rate riders described above:

| Rate Rider                         | R—Request Date<br>A—Approval Date | Effective Date<br>Requested or<br>Approved | Annual<br>Revenue<br>(\$000s) | Rate            |
|------------------------------------|-----------------------------------|--------------------------------------------|-------------------------------|-----------------|
| <b>Minnesota</b>                   |                                   |                                            |                               |                 |
| Conservation Improvement Program   |                                   |                                            |                               |                 |
| 2018 Incentive and Cost Recovery   | A—December 27, 2019               | January 1, 2020                            | \$ 11,926                     | \$0.00710/kwh   |
| 2017 Incentive and Cost Recovery   | A—October 4, 2018                 | November 1, 2018                           | \$ 10,283                     | \$0.00600/kwh   |
| 2016 Incentive and Cost Recovery   | A—September 15, 2017              | October 1, 2017                            | \$ 9,868                      | \$0.00536/kwh   |
| 2015 Incentive and Cost Recovery   | A—July 19, 2016                   | October 1, 2016                            | \$ 8,590                      | \$0.00275/kwh   |
| Transmission Cost Recovery         |                                   |                                            |                               |                 |
| 2018 Annual Update—Scenario A      | R—November 30, 2018               | June 1, 2019                               | \$ 6,475                      | Various         |
| —Scenario B                        |                                   |                                            | \$ 2,708                      | Various         |
| 2017 Rate Reset                    | A—October 30, 2017                | November 1, 2017                           | \$ (3,311)                    | Various         |
| 2016 Annual Update                 | A—July 5, 2016                    | September 1, 2016                          | \$ 4,736                      | Various         |
| Environmental Cost Recovery        |                                   |                                            |                               |                 |
| 2018 Annual Update                 | A—November 29, 2018               | December 1, 2018                           | \$ —                          | 0% of base      |
| 2017 Rate Reset                    | A—October 30, 2017                | November 1, 2017                           | \$ (1,943)                    | -0.935% of base |
| 2016 Annual Update                 | A—July 5, 2016                    | September 1, 2016                          | \$ 11,884                     | 6.927% of base  |
| Renewable Resource Adjustment      |                                   |                                            |                               |                 |
| 2019 Annual Update—Revised         | A—December 19, 2019               | January 1, 2020                            | \$ 12,506                     | \$0.00467/kwh   |
| 2018 Annual Update                 | A—August 29, 2018                 | November 1, 2018                           | \$ 5,886                      | \$0.00219/kwh   |
| 2017 Rate Reset                    | A—October 30, 2017                | November 1, 2017                           | \$ 1,279                      | \$0.00049/kwh   |
| <b>North Dakota</b>                |                                   |                                            |                               |                 |
| Renewable Resource Adjustment      |                                   |                                            |                               |                 |
| 2020 Annual Update                 | R—December 31, 2019               | April 1, 2020                              | \$ 3,828                      | 3.744% of base  |
| 2019 Annual Update                 | A—May 1, 2019                     | June 1, 2019                               | \$ (235)                      | -0.224% of base |
| 2018 Rate Reset for effect of TCJA | A—February 27, 2018               | March 1, 2018                              | \$ 9,650                      | 7.493% of base  |
| 2017 Rate Reset                    | A—December 20, 2017               | January 1, 2018                            | \$ 9,989                      | 7.756% of base  |
| 2016 Annual Update                 | A—March 15, 2017                  | April 1, 2017                              | \$ 9,156                      | 7.005% of base  |
| 2015 Annual Update                 | A—June 22, 2016                   | July 1, 2016                               | \$ 9,262                      | 7.573% of base  |
| Transmission Cost Recovery         |                                   |                                            |                               |                 |
| 2019 Annual Update                 | A—December 18, 2019               | January 1, 2020                            | \$ 5,739                      | Various         |
| 2018 Supplemental Update           | A—December 6, 2018                | February 1, 2019                           | \$ 4,801                      | Various         |
| 2018 Rate Reset for effect of TCJA | A—February 27, 2018               | March 1, 2018                              | \$ 7,469                      | Various         |
| 2017 Annual Update                 | A—November 29, 2017               | January 1, 2018                            | \$ 7,959                      | Various         |
| 2016 Annual Update                 | A—December 14, 2016               | January 1, 2017                            | \$ 6,916                      | Various         |
| Environmental Cost Recovery        |                                   |                                            |                               |                 |
| 2019 Update                        | A—October 22, 2019                | November 1, 2019                           | \$ —                          | 0% of base      |
| 2018 Update                        | A—December 19, 2018               | February 1, 2019                           | \$ (378)                      | -0.310% of base |
| 2018 Rate Reset for effect of TCJA | A—February 27, 2018               | March 1, 2018                              | \$ 7,718                      | 5.593% of base  |
| 2017 Rate Reset                    | A—December 20, 2017               | January 1, 2018                            | \$ 8,537                      | 6.629% of base  |
| 2017 Annual Update                 | A—July 12, 2017                   | August 1, 2017                             | \$ 9,917                      | 7.633% of base  |
| 2016 Annual Update                 | A—June 22, 2016                   | July 1, 2016                               | \$ 10,359                     | 7.904% of base  |
| Generation Cost Recovery           |                                   |                                            |                               |                 |
| 2019 Initial Request               | A—May 15, 2019                    | July 1, 2019                               | \$ 2,720                      | 2.547% of base  |
| <b>South Dakota</b>                |                                   |                                            |                               |                 |
| Transmission Cost Recovery         |                                   |                                            |                               |                 |
| 2020 Annual Update                 | R—October 31, 2019                | March 1, 2020                              | \$ 2,407                      | Various         |
| 2019 Rate Reset                    | A—September 17, 2019              | October 1, 2019                            | \$ 2,046                      | Various         |
| 2019 Annual Update                 | A—February 20, 2019               | March 1, 2019                              | \$ 1,638                      | Various         |
| 2018 Interim Rate Reset            | A—October 18, 2018                | October 18, 2018                           | \$ 1,171                      | Various         |
| 2017 Annual Update                 | A—February 28, 2018               | March 1, 2018                              | \$ 1,779                      | Various         |
| 2016 Annual Update                 | A—February 17, 2017               | March 1, 2017                              | \$ 2,053                      | Various         |
| 2015 Annual Update                 | A—February 12, 2016               | March 1, 2016                              | \$ 1,895                      | Various         |
| Environmental Cost Recovery        |                                   |                                            |                               |                 |
| 2018 Interim Rate Reset            | A—October 18, 2018                | October 18, 2018                           | \$ (189)                      | -\$0.00075/kwh  |
| 2017 Annual Update                 | A—October 13, 2017                | November 1, 2017                           | \$ 2,082                      | \$0.00483/kwh   |
| 2016 Annual Update                 | A—October 26, 2016                | November 1, 2016                           | \$ 2,238                      | \$0.00536/kwh   |
| Phase-In Rate Plan Recovery        |                                   |                                            |                               |                 |
| 2019 Initial Request               | A—August 21, 2019                 | September 1, 2019                          | \$ 864                        | 3.345% of base  |

## REVENUES RECORDED UNDER RATE RIDERS

The following table presents revenue recorded by OTP under rate riders in place in Minnesota, North Dakota and South Dakota for the years ended December 31:

| Rate Rider (in thousands)        | 2019             | 2018             | 2017             |
|----------------------------------|------------------|------------------|------------------|
| <b>Minnesota</b>                 |                  |                  |                  |
| Conservation Improvement Program |                  |                  |                  |
| Costs and Incentives             | \$ 8,271         | \$ 8,127         | \$ 6,008         |
| Renewable Resource Adjustment    | 5,513            | 3,067            | (196)            |
| Transmission Cost Recovery       | 2,497            | (2,039)          | 2,973            |
| Environmental Cost Recovery      | (1)              | (24)             | 8,148            |
| <b>North Dakota</b>              |                  |                  |                  |
| Transmission Cost Recovery       | 5,292            | 7,016            | 8,729            |
| Generation Cost Recovery         | 878              | —                | —                |
| Environmental Cost Recovery      | 550              | 7,318            | 9,782            |
| Renewable Resource Adjustment    | 230              | 8,529            | 7,620            |
| <b>South Dakota</b>              |                  |                  |                  |
| Transmission Cost Recovery       | 2,165            | 1,664            | 1,843            |
| Conservation Improvement Program |                  |                  |                  |
| Costs and Incentives             | 851              | 628              | 598              |
| Environmental Cost Recovery      | (29)             | 1,676            | 2,345            |
| Phase-In Rate Plan               | (125)            | —                | —                |
| <b>Total</b>                     | <b>\$ 26,092</b> | <b>\$ 35,962</b> | <b>\$ 47,850</b> |

## TCJA

The TCJA, passed in December 2017, reduced the federal corporate income tax rate from 35% to 21%, effective January 1, 2018. At the time of passage, all OTP's rates had been developed using a 35% tax rate. The MPUC, the NDPSC, the SDPUC and the FERC each initiated dockets or proceedings to begin working with utilities to assess the impact of the lower rates on electric rates, and to develop regulatory strategies to incorporate the tax change into future rates, if warranted.

The MPUC required regulated utilities providing service in Minnesota to make filings by February 15, 2018. On August 9, 2018 the MPUC determined the impacts of the TCJA as calculated, including amortization of excess accumulated deferred income taxes, should be refunded and rates should be adjusted going forward to account for the impacts of the TCJA. On December 5, 2018 the MPUC released its final order related to the TCJA docket directing OTP to return to ratepayers, in a one-time refund, the TCJA-related savings accrued prior to the refund effective date. The order also directs OTP to use these savings to reduce customers' base rates prospectively, allocating the savings to customers in proportion to the size of each customer's bill, or to each customer class in proportion to the class's size. New rates reflecting the reduction in revenue requirements related to the TCJA tax rate reduction went into effect June 1, 2019. A one-time refund to Minnesota customers of \$11.5 million in excess of amounts billed from January 2018 through May 2019 occurred in August and September 2019.

As described above, OTP's recent general rate cases in North Dakota and South Dakota reflected the impact of the TCJA in interim rates. OTP accrued refund liabilities for the time periods during which revenues were collected under rates set to recover higher levels of federal income taxes than OTP incurred under the lower federal tax rates in the TCJA.

## FERC

Wholesale power sales and transmission rates are subject to the jurisdiction of the FERC under the Federal Power Act of 1935 (Federal Power Act). The FERC is an independent agency with jurisdiction over rates for wholesale electricity sales, transmission and sale of electric energy in interstate commerce, interconnection of facilities, and accounting policies and practices. Filed rates are effective after a suspension period, subject to ultimate approval by the FERC.

**MVPs**—MVPs are designed to enable the MISO region to comply with energy policy mandates and to address reliability and economic issues

affecting multiple transmission zones within the MISO region. The cost allocation is designed to ensure that the costs of transmission projects with regional benefits are properly assigned to those who benefit from the MVP.

**ROE**—On November 12, 2013 a group of industrial customers and other stakeholders filed a complaint with the FERC seeking to reduce the ROE component of the transmission rates that MISO transmission owners, including OTP, may collect under the MISO Tariff. The complainants sought to reduce the 12.38% ROE used in MISO's transmission rates to a proposed 9.15%. The complaint established a 15-month refund period from November 12, 2013 to February 11, 2015. A non-binding decision by the presiding Administrative Law Judge (ALJ) was issued on December 22, 2015 finding that the MISO transmission owners' ROE should be 10.32%, and the FERC issued an order on September 28, 2016 setting the base ROE at 10.32%. Several parties requested rehearing of the September 2016 order.

On November 6, 2014 a group of MISO transmission owners, including OTP, filed for a FERC incentive of an additional 50 basis points for Regional Transmission Organization participation (RTO Adder). On January 5, 2015 the FERC granted the request, deferring collection of the RTO Adder until the FERC issued its order in the ROE complaint proceeding. Based on the FERC adjustment to the MISO Tariff ROE resulting from the November 12, 2013 complaint and OTP's incentive rate filing, OTP's ROE went to 10.82% (a 10.32% base ROE plus the 0.5% RTO Adder) effective September 28, 2016.

On February 12, 2015 another group of stakeholders filed a complaint with the FERC seeking to reduce the ROE component of the transmission rates that MISO transmission owners, including OTP, may collect under the MISO Tariff from 12.38% to a proposed 8.67%. This second complaint established a second 15-month refund period from February 12, 2015 to May 11, 2016. The FERC issued an order on June 18, 2015 setting the complaint for hearings before an ALJ, which were held the week of February 16, 2016. A non-binding decision by the presiding ALJ was issued on June 30, 2016 finding that the MISO transmission owners' ROE should be 9.7%.

Based on the probable reduction by the FERC in the ROE component of the MISO Tariff, OTP had a \$2.7 million liability on its balance sheet as of December 31, 2016, representing OTP's best estimate of the refund obligations that would arise, net of amounts that would be subject to recovery under state jurisdictional TCR riders, based on a reduced ROE. MISO processed the refund for the FERC-ordered reduction in the MISO Tariff allowed ROE for the first 15-month refund period in its February and June 2017 billings. The refund, in combination with a decision in the 2016 Minnesota general rate case that affected the Minnesota TCR rider, resulted in a reduction in OTP's accrued MISO Tariff ROE refund liability from \$2.7 million on December 31, 2016 to \$1.6 million as of September 30, 2019.

On March 1, 2019 the FERC issued a Notice of Inquiry (NOI) seeking comment on whether, and if so how, it should modify its policies concerning the determination of the ROE used in designing jurisdictional rates charged by public utilities. For years, the FERC has utilized a particular two-step, analysis to establish ROEs for utilities and natural gas interstate pipelines. The NOI sought comments on whether it should develop ROEs using a different financial model. The NOI also sought comments, among other things, on the continued use of RTO Adders.

On November 21, 2019 the FERC adopted a different two-step ROE model and capital asset pricing model to determine whether a jurisdictional public utility's rate of ROE is just and reasonable under section 206 of the Federal Power Act. Applying the new methodology in complaints against the MISO transmission owners, the FERC determined that the MISO transmission owners' current base ROE should be 9.88%. The FERC also stated it will use ranges of presumptively just and reasonable ROEs in its analysis of whether existing ROEs have become unjust and unreasonable. This order also implemented the



FERC's revised methodology in the two complaints against the MISO transmission owners' base ROE. The order granted rehearing on the first complaint, found the existing 12.38% ROE unjust and unreasonable, and directed the MISO transmission owners to adopt a 9.88% ROE effective September 28, 2016, and to provide refunds. The order also dismissed the second complaint and found that the record in that proceeding did not support a finding that the 9.88% ROE established in the first complaint proceeding had become unjust and unreasonable.

As a result of the FERC granting rehearing on the first complaint and finding the existing 12.38% ROE unjust and unreasonable and directing the MISO transmission owners to adopt a 9.88% ROE, OTP increased its refund provision related to the ROE complaints from \$1.6 million to \$3.0 million as of December 31, 2019. The \$3.0 million includes provisions for:

- ▶ an additional \$0.2 million refund related to the first complaint as a result of reducing the reasonable ROE from 10.32%, established in the FERC's September 28, 2016 refund order, to the newly established 9.88% ROE,

- ▶ a \$1.3 million refund for the period from September 28, 2016 through December 31, 2019 related to a reduction in the current ROE from 10.82% to 10.38% based on the newly established 9.88% reasonable ROE for the first complaint period plus the 50-point RTO adder granted by the FERC on January 5, 2015, and
- ▶ a \$1.5 million refund related to the second complaint period in response to requests for rehearing on the FERC's decision to dismiss the second complaint based on a potential reduction in the reasonable ROE for that period from 12.38% to 9.88% plus the 50-point RTO adder.

In response to the FERC's November 21, 2019 order, the MISO Transmission Owners (including OTP) and others filed requests seeking rehearing of the FERC's November 21, 2019 order, and a group of parties filed with the United States Court of Appeals for the District of Columbia a protective appeal.

## 4. Regulatory Assets and Liabilities

As a regulated entity, OTP accounts for the financial effects of regulation in accordance with ASC 980. This accounting standard allows for the recording of a regulatory asset or liability for costs that will be collected or refunded in the future as required under regulation. Additionally, ASC 980-605-25 provides for the recognition of revenues authorized for recovery outside of a general rate case under alternative revenue programs which provide for recovery of costs and incentives or returns on investment in such items as transmission infrastructure, renewable energy resources or conservation initiatives. The following tables indicate the amount of regulatory assets and liabilities recorded on the Company's consolidated balance sheets:

|                                                                                                                                    | December 31, 2019 |             |             | Remaining<br>Recovery/Refund<br>Period (months) |
|------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------|-------------|-------------------------------------------------|
| (in thousands)                                                                                                                     | Current           | Long-Term   | Total       |                                                 |
| Regulatory Assets:                                                                                                                 |                   |             |             |                                                 |
| Prior Service Costs and Actuarial Losses on Pensions and Other Postretirement Benefits (1)                                         | \$ 9,090          | \$ 129,102  | \$ 138,192  | see below                                       |
| Accumulated Asset Retirement Obligation (ARO) Accretion/Depreciation Adjustment (1)                                                | —                 | 7,772       | 7,772       | asset lives                                     |
| Conservation Improvement Program Costs and Incentives (2)                                                                          | 4,024             | 2,844       | 6,868       | 21                                              |
| Minnesota Transmission Cost Recovery Rider Accrued Revenues (2)                                                                    | 4,208             | —           | 4,208       | 12                                              |
| MISO Schedule 26/26A Transmission Cost Recovery Rider True-ups (1)                                                                 | 2,033             | 968         | 3,001       | 24                                              |
| Nonservice Costs Components of Postretirement Benefits Capitalized<br>for Ratemaking Purposes and Subject to Deferred Recovery (1) | —                 | 1,681       | 1,681       | asset lives                                     |
| Big Stone II Unrecovered Project Costs—Minnesota (1)                                                                               | 715               | 225         | 940         | 16                                              |
| Debt Reacquisition Premiums (1)                                                                                                    | 201               | 548         | 749         | 153                                             |
| Deferred Marked-to-Market Losses (1)                                                                                               | 743               | —           | 743         | 12                                              |
| Big Stone II Unrecovered Project Costs—South Dakota (1)                                                                            | 144               | 253         | 397         | 33                                              |
| South Dakota Deferred Rate Case Expenses Subject to Recovery (1)                                                                   | 138               | 245         | 383         | 34                                              |
| North Dakota Deferred Rate Case Expenses Subject to Recovery (1)                                                                   | 122               | 244         | 366         | 36                                              |
| Minnesota SPP Transmission Cost Recovery Tracker (1)                                                                               | —                 | 202         | 202         | see below                                       |
| Minnesota Renewable Resource Rider Accrued Revenues (2)                                                                            | 131               | —           | 131         | 12                                              |
| South Dakota Transmission Cost Recovery Rider Accrued Revenues (2)                                                                 | 97                | —           | 97          | 2                                               |
| Deferred Lease Expenses (1)                                                                                                        | —                 | 54          | 54          | 39                                              |
| Minnesota Environmental Cost Recovery Rider Accrued Revenues (2)                                                                   | 4                 | —           | 4           | 12                                              |
| Total Regulatory Assets                                                                                                            | \$ 21,650         | \$ 144,138  | \$ 165,788  |                                                 |
| Regulatory Liabilities:                                                                                                            |                   |             |             |                                                 |
| Deferred Income Taxes                                                                                                              | \$ —              | \$ 141,707  | \$ 141,707  | asset lives                                     |
| Accumulated Reserve for Estimated Removal Costs—Net of Salvage                                                                     | —                 | 97,726      | 97,726      | asset lives                                     |
| Refundable Fuel Clause Adjustment Revenues                                                                                         | 3,982             | —           | 3,982       | 12                                              |
| North Dakota Renewable Resource Recovery Rider Accrued Refund                                                                      | 1,515             | —           | 1,515       | 12                                              |
| North Dakota Transmission Cost Recovery Rider Accrued Refund                                                                       | 700               | —           | 700         | 12                                              |
| Prior Service Costs and Actuarial Gains on Postretirement Benefits                                                                 | 471               | —           | 471         | 12                                              |
| Revenue for Rate Case Expenses Subject to Refund—Minnesota                                                                         | —                 | 401         | 401         | see below                                       |
| South Dakota Phase-In Rate Plan Rider Accrued Refund                                                                               | 355               | —           | 355         | 9                                               |
| North Dakota Generation Cost Recovery Rider Accrued Refund                                                                         | 287               | —           | 287         | 6                                               |
| Minnesota Energy Intensive Trade Exposed Rider Accrued Refund                                                                      | 164               | —           | 164         | 12                                              |
| Other                                                                                                                              | 6                 | 72          | 78          | 168                                             |
| Total Regulatory Liabilities                                                                                                       | \$ 7,480          | \$ 239,906  | \$ 247,386  |                                                 |
| Net Regulatory Asset/(Liability) Position                                                                                          | \$ 14,170         | \$ (95,768) | \$ (81,598) |                                                 |

<sup>(1)</sup> Costs subject to recovery without a rate of return.

<sup>(2)</sup> Amount eligible for recovery under an alternative revenue program which includes an incentive or rate of return.



|                                                                                                                                    | December 31, 2018 |             |             | Remaining<br>Recovery/Refund<br>Period (months) |
|------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------|-------------|-------------------------------------------------|
| (in thousands)                                                                                                                     | Current           | Long-Term   | Total       |                                                 |
| Regulatory Assets:                                                                                                                 |                   |             |             |                                                 |
| Prior Service Costs and Actuarial Losses on Pensions and Other Postretirement Benefits (1)                                         | \$ 6,346          | \$ 118,433  | \$ 124,779  | see below                                       |
| Accumulated ARO Accretion/Depreciation Adjustment (1)                                                                              | —                 | 7,169       | 7,169       | asset lives                                     |
| Conservation Improvement Program Costs and Incentives (2)                                                                          | 5,995             | 3,285       | 9,280       | 21                                              |
| Minnesota Transmission Cost Recovery Rider Accrued Revenues (2)                                                                    | 444               | —           | 444         | 12                                              |
| MISO Schedule 26/26A Transmission Cost Recovery Rider True-up (1)                                                                  | 240               | —           | 240         | 12                                              |
| Nonservice Costs Components of Postretirement Benefits Capitalized<br>for Ratemaking Purposes and Subject to Deferred Recovery (1) | —                 | 986         | 986         | asset lives                                     |
| Big Stone II Unrecovered Project Costs—Minnesota (1)                                                                               | 681               | 947         | 1,628       | 28                                              |
| Debt Reacquisition Premiums (1)                                                                                                    | 207               | 753         | 960         | 165                                             |
| Deferred Marked-to-Market Losses (1)                                                                                               | 1,661             | 743         | 2,404       | 24                                              |
| Big Stone II Unrecovered Project Costs—South Dakota (1)                                                                            | 100               | 342         | 442         | 53                                              |
| South Dakota Deferred Rate Case Expenses Subject to Recovery (1)                                                                   | 178               | —           | 178         | 12                                              |
| North Dakota Deferred Rate Case Expenses Subject to Recovery (1)                                                                   | 455               | —           | 455         | 12                                              |
| Minnesota SPP Transmission Cost Recovery Tracker (1)                                                                               | —                 | 176         | 176         | see below                                       |
| Minnesota Renewable Resource Recovery Rider Accrued Revenues (2)                                                                   | 452               | —           | 452         | 12                                              |
| Minnesota Environmental Cost Recovery Rider Accrued Revenues (2)                                                                   | 121               | —           | 121         | 12                                              |
| Deferred Income Taxes (1)                                                                                                          | —                 | 2,423       | 2,423       | asset lives                                     |
| Minnesota Energy Intensive Trade Exposed Rider Accrued Revenues (1)                                                                | 328               | —           | 328         | 4                                               |
| North Dakota Environmental Cost Recovery Rider Accrued Revenues (2)                                                                | 17                | —           | 17          | 12                                              |
| Total Regulatory Assets                                                                                                            | \$ 17,225         | \$ 135,257  | \$ 152,482  |                                                 |
| Regulatory Liabilities:                                                                                                            |                   |             |             |                                                 |
| Deferred Income Taxes                                                                                                              | \$ —              | \$ 142,779  | \$ 142,779  | asset lives                                     |
| Accumulated Reserve for Estimated Removal Costs—Net of Salvage                                                                     | —                 | 83,229      | 83,229      | asset lives                                     |
| Refundable Fuel Clause Adjustment Revenues                                                                                         | 121               | —           | 121         | 12                                              |
| North Dakota Renewable Resource Recovery Rider Accrued Refund                                                                      | 177               | —           | 177         | 12                                              |
| North Dakota Transmission Cost Recovery Rider Accrued Refund                                                                       | 60                | —           | 60          | 12                                              |
| Revenue for Rate Case Expenses Subject to Refund—Minnesota                                                                         | —                 | 166         | 166         | see below                                       |
| MISO Schedule 26/26A Transmission Cost Recovery Rider True-up                                                                      | —                 | 187         | 187         | 24                                              |
| South Dakota Transmission Cost Recovery Rider Accrued Refund                                                                       | 168               | —           | 168         | 12                                              |
| South Dakota Environmental Cost Recovery Rider Accrued Refund                                                                      | 207               | —           | 207         | 12                                              |
| Other                                                                                                                              | 5                 | 108         | 113         | 180                                             |
| Total Regulatory Liabilities                                                                                                       | \$ 738            | \$ 226,469  | \$ 227,207  |                                                 |
| Net Regulatory Asset/(Liability) Position                                                                                          | \$ 16,487         | \$ (91,212) | \$ (74,725) |                                                 |

(1) Costs subject to recovery without a rate of return.

(2) Amount eligible for recovery under an alternative revenue program which includes an incentive or rate of return.

The regulatory asset and liability related to prior service costs and actuarial losses on pensions and other postretirement benefits represents benefit costs and actuarial losses and gains subject to recovery or refund through rates as they are expensed. These unrecognized benefit costs and actuarial losses and gains are required to be recognized as components of Accumulated Other Comprehensive Income in equity under ASC Topic 715, *Compensation—Retirement Benefits*, but are eligible for treatment as regulatory assets or liabilities based on their probable inclusion in future retail electric rates.

The Accumulated ARO Accretion/Depreciation Adjustment will accrete and be amortized over the lives of property with asset retirement obligations.

Conservation Improvement Program Costs and Incentives represent mandated conservation expenditures and incentives recoverable through retail electric rates.

The Minnesota Transmission Cost Recovery Rider Accrued Revenues relate to revenues earned on qualifying transmission system facilities and operating costs incurred to serve Minnesota customers that were recoverable from Minnesota customers as of the balance sheet date.

MISO Schedule 26/26A Transmission Cost Recovery Rider True-ups relate to the over/under collection of revenue based on comparison of the expected versus actual construction on eligible projects in the period. The true-ups also include the state jurisdictional portion of MISO Schedule 26/26A for regional transmission cost recovery that was included in the calculation of the state transmission riders and subsequently adjusted to reflect actual billing amounts in the schedule.

The Nonservice Costs Components of Postretirement Benefits Capitalized for Ratemaking Purposes and Subject to Deferred Recovery are employee benefit-related costs that are required to be capitalized for ratemaking purposes and are recovered over the depreciable lives of the assets to which the related labor costs were applied.

Big Stone II Unrecovered Project Costs—Minnesota are the Minnesota share of generation and transmission plant-related costs incurred by OTP related to its participation in the abandoned Big Stone II project.

Debt Reacquisition Premiums are being recovered from OTP customers over the remaining original lives of the reacquired debt issues, the longest of which is 153 months.

All Deferred Marked-to-Market Losses recorded as of the balance sheet date relate to forward purchases of energy scheduled for delivery through December 2020.

Big Stone II Unrecovered Project Costs—South Dakota are the South Dakota share of generation and transmission plant-related costs incurred by OTP related to its participation in the abandoned Big Stone II project.

South Dakota Deferred Rate Case Expenses Subject to Recovery relate to costs incurred in conjunction with OTP's most recent rate case in South Dakota and are currently being recovered beginning with the establishment of interim rates in October 2018.

North Dakota Deferred Rate Case Expenses Subject to Recovery relate to costs incurred in conjunction with OTP's most recent rate case in North Dakota currently being recovered beginning with the establishment of interim rates in January 2018.

The Minnesota SPP Transmission Cost Recovery Tracker regulatory asset relates to costs incurred to serve Minnesota customers that are subject to recovery but that had not been billed to Minnesota customers as of the balance sheet date.

The Minnesota Renewable Resource Recovery Rider Accrued Revenues relate to revenues earned on qualifying renewable resource costs incurred to serve Minnesota customers that were recoverable from Minnesota customers as of the balance sheet date.

The South Dakota Transmission Cost Recovery Rider Accrued Revenues relate to revenues earned on qualifying transmission system facilities and operating costs incurred to serve South Dakota customers that were recoverable from South Dakota customers as of the balance sheet date.

Deferred Lease Expenses: Under ASC 842 accounting rules, for leases with scheduled escalating payments, rent expense is required to be recognized on a straight-line basis over the life of the lease based on the sum of those payments. Rate-regulated entities are generally only allowed to recover the amount of actual cash payments on leases and FERC accounting rules require that rent expense be recognized on the basis of cash payments. The balance in the deferred lease expense regulatory asset account represents operating lease right of use asset cumulative amortization and interest costs in excess of cumulative lease payments that are subject to recovery in future periods under regulatory accounting treatment as cash payments are rendered.

The Minnesota Environmental Cost Recovery Rider Accrued Revenues relate to revenues earned on the Minnesota share of OTP's investment in the Big Stone Plant AQCS project that were recoverable from Minnesota customers as of the balance sheet date.

The regulatory asset and liability related to Deferred Income Taxes results from changes in statutory tax rates accounted for in accordance with ASC Topic 740, *Income Taxes*.

Minnesota Energy Intensive Trade Exposed Rider Accrued Revenues relate to revenues recorded for fuel and purchased power costs reductions provided to customers in energy intensive trade exposed industries that were subject to recovery from other Minnesota customers as of the balance sheet date.

North Dakota Environmental Cost Recovery Rider Accrued Revenues relate to revenues earned on the North Dakota share of OTP's investments in the Big Stone Plant AQCS and Hoot Lake Plant MATS projects and for reagent and emission allowances costs that were recoverable from North Dakota customers as of the balance sheet date.

The Accumulated Reserve for Estimated Removal Costs—Net of Salvage is reduced as actual removal costs, net of salvage revenues, are incurred.

The North Dakota Renewable Resource Recovery Rider Accrued Refund relates to amounts collected for qualifying renewable resource costs incurred to serve North Dakota customers that were refundable to North Dakota customers as of the balance sheet date.

The North Dakota Transmission Cost Recovery Rider Accrued Refund relates to amounts collected for qualifying transmission system facilities and operating costs incurred to serve North Dakota customers that were refundable to North Dakota customers as of the balance sheet date.

Revenue for Rate Case Expenses Subject to Refund—Minnesota relates to revenues collected under general rates to recover costs related to prior rate case proceedings in excess of the actual costs incurred.

The South Dakota Phase-In Rate Plan Rider Accrued Refund relates to amounts collected for actual and forecasted costs for Astoria Station, Merricourt, and additional load growth that were refundable to South Dakota customers as of the balance sheet date.

The North Dakota Generation Cost Recovery Rider Accrued Refund relates to revenues collected under the rider in excess of returns allowed on recoverable costs incurred for the North Dakota share of OTP's investment in Astoria Station, a natural gas-fired combustion turbine generation facility under construction near Astoria, South

Dakota. The balance represents amounts subject to refund to North Dakota customers that had been billed to North Dakota customers as of the balance sheet date.

The Minnesota Energy Intensive Trade Exposed Rider Accrued Refund relates to over-collected amounts from Minnesota retail customers for fuel and purchased power costs reductions provided to customers in energy intensive trade exposed industries that were subject to refund to Minnesota customers as of the balance sheet date.

The South Dakota Transmission Cost Recovery Rider Accrued Refund relates to amounts collected for qualifying transmission system facilities and operating costs incurred to serve South Dakota customers that were refundable to South Dakota customers as of the balance sheet date.

The South Dakota Environmental Cost Recovery Rider Accrued Refund relates to amounts collected on the South Dakota share of OTP's investments in the Big Stone Plant AQCS and Hoot Lake Plant MATS projects that were refundable to South Dakota customers as of the balance sheet date.

If for any reason OTP ceases to meet the criteria for application of guidance under ASC 980 for all or part of its operations, the regulatory assets and liabilities that no longer meet such criteria would be removed from the consolidated balance sheet and included in the consolidated statement of income as an expense or income item in the period in which the application of guidance under ASC 980 ceases.

## 5. Common Shares and Earnings per Share

### Shelf Registration and Common Share Distribution Agreement

On May 3, 2018 the Company filed a shelf registration statement with the Securities and Exchange Commission (SEC) under which the Company may offer for sale, from time to time, either separately or together in any combination, equity, debt or other securities described in the shelf registration statement, which expires on May 3, 2021.

On November 8, 2019, the Company entered into a Distribution Agreement with KeyBanc Capital Markets Inc. (KeyBanc Capital Markets). Pursuant to the terms of the Distribution Agreement, the Company may offer and sell its common shares from time to time through KeyBanc, as the Company's distribution agent for the offer and sale of the shares, up to an aggregate sales price of \$75,000,000.

Under the Distribution Agreement, the Company will designate the minimum price and maximum number of common shares to be sold through KeyBanc on any given trading day or over a specified period of trading days, and KeyBanc will use commercially reasonable efforts to sell such shares on such days, subject to certain conditions. Sales of the shares, if any, will be made by means of ordinary brokers' transactions on the Nasdaq Global Select Market at market prices or as otherwise agreed with KeyBanc. The Company may also agree to sell shares to KeyBanc, as principal for its own account, on terms agreed to by the Company and KeyBanc in a separate agreement at the time of sale. KeyBanc will receive from the Company a commission of up to 2% of the gross sales price per share for any shares sold through it as the Company's distribution agent under the Distribution Agreement. The Company is not obligated to sell and KeyBanc is not obligated to buy or sell any of the shares under the Distribution Agreement. The shares, if issued, will be issued pursuant to the Company's existing shelf registration statement.

## 2019 Common Stock Activity

Following is a reconciliation of the Company's common shares outstanding from December 31, 2018 through December 31, 2019:

|                                                          |            |
|----------------------------------------------------------|------------|
| Common Shares Outstanding, December 31, 2018             | 39,664,884 |
| Issuances:                                               |            |
| At-the-Market Offering                                   | 347,000    |
| Executive Stock Performance Awards (2016 awards earned)  | 102,198    |
| Automatic Dividend Reinvestment and Share Purchase Plan: |            |
| Dividends Reinvested                                     | 29,599     |
| Cash Invested                                            | 23,740     |
| Vesting of Restricted Stock Units                        | 29,100     |
| Restricted Stock Issued to Directors                     | 15,700     |
| Directors Deferred Compensation                          | 594        |
| Retirements:                                             |            |
| Shares Withheld for Individual Income Tax Requirements   | (55,224)   |
| Common Shares Outstanding, December 31, 2019             | 40,157,591 |

## 2014 Stock Incentive Plan

The 2014 Stock Incentive Plan (2014 Incentive Plan), which was approved by the Company's shareholders in April 2014, provides for the grant of stock options, stock appreciation rights, restricted stock, restricted stock units, performance awards, and other stock and stock-based awards. A total of 1,900,000 common shares were authorized for granting stock awards under the 2014 Incentive Plan, of which 1,010,110 were available for issuance as of December 31, 2019. The 2014 Incentive Plan terminates on December 13, 2023.

## Employee Stock Purchase Plan

The 1999 Employee Stock Purchase Plan (Purchase Plan) allowed eligible employees to purchase the Company's common shares through payroll withholding at a discount of up to 15% off the market price at the end of each six-month purchase period. For purchase periods between January 1, 2017 and June 30, 2019, the purchase price was 100% of the market price at the end of each six-month purchase period. For purchase

periods beginning after June 30, 2019, the purchase price is 85% of the market price at the end of each six-month purchase period. Of the 1,400,000 common shares authorized to be issued under the Purchase Plan, 349,763 were available for purchase as of December 31, 2019. At the discretion of the Company, shares purchased under the Purchase Plan can be either new issue shares or shares purchased in the open market. To provide shares for purchases for the Purchase Plan, 13,432 common shares were issued in January 2020 for the purchase period ended December 31, 2019, 3,672 common shares were purchased in the open market in 2019, 7,757 common shares were purchased in the open market in 2018, and 4,202 common shares were purchased in the open market and 5,284 common shares were issued in 2017.

## Dividend Reinvestment and Share Purchase Plan

On May 3, 2018, the Company filed a shelf registration statement with the SEC for the issuance of up to 1,500,000 common shares under the Company's Automatic Dividend Reinvestment and Share Purchase Plan (the Plan), which permits shares purchased by participants in the Plan to be either new issue common shares or common shares purchased in the open market. The shelf registration for the Plan expires on May 3, 2021. In October 2019, the Company began issuing new shares to satisfy the requirements of the Plan. In 2019, 53,339 common shares were issued, and 109,807 shares were purchased in the open market to provide shares for the Plan. In 2018, 116,822 common shares were purchased in the open market to provide shares for the Plan. Although shares are purchased on the open market, they must be sold under the registration statement due to the features of the plan, leaving 1,220,032 common shares available for purchase or issuance under the Plan as of December 31, 2019. The shelf registration statement replaced the Company's prior shelf registration statement, which provided for the issuance of up to 1,500,000 common shares under the Plan. Common shares purchased in the open market under the Plan pursuant to the Company's prior shelf registration statement totaled 53,853 in 2018 and 87,634 in 2017. New common shares issued under the Plan pursuant to the Company's prior shelf registration statement totaled 97,698 in 2017.

## Earnings Per Share

The numerator used in the calculation of both basic and diluted earnings per common share is net income with no adjustments in 2019, 2018 and 2017. The denominator used in the calculation of basic earnings per common share is the weighted average number of common shares outstanding during the period excluding nonvested restricted shares granted to the Company's directors and employees, which are considered contingently returnable and not outstanding for the purpose of calculating basic earnings per share. The denominator used in the calculation of diluted earnings per common share is derived by adjusting basic shares outstanding for the items listed in the following reconciliations.

|                                                                                                                                          | 2019       | 2018       | 2017       |
|------------------------------------------------------------------------------------------------------------------------------------------|------------|------------|------------|
| Weighted Average Common Shares Outstanding—Basic                                                                                         | 39,720,847 | 39,599,944 | 39,457,261 |
| Plus Outstanding Share Awards net of Share Reductions for Unrecognized Stock-Based Compensation Expense and Excess Tax Benefits:         |            |            |            |
| Shares Expected to be Awarded for Stock Performance Awards Granted to Executive Officers based on Measurement Period-to-Date Performance | 147,001    | 212,043    | 210,784    |
| Underlying Shares Related to Nonvested Restricted Stock Units Granted to Employees                                                       | 65,421     | 59,980     | 56,952     |
| Nonvested Restricted Shares                                                                                                              | 15,377     | 17,751     | 20,380     |
| Shares Expected to be Issued Under the Employee Stock Purchase Plan                                                                      | 3,228      | —          | —          |
| Shares Expected to be Issued Under the Deferred Compensation Program for Directors                                                       | 1,952      | 2,478      | 2,970      |
| Total Dilutive Shares                                                                                                                    | 232,979    | 292,252    | 291,086    |
| Weighted Average Common Shares Outstanding—Diluted                                                                                       | 39,953,826 | 39,892,196 | 39,748,347 |

The effect of dilutive shares on earnings per share for the years ended December 31, 2019, 2018 and 2017, resulted in no differences greater than \$0.016 between basic and diluted earnings per share in any period.

## 6. Share-Based Payments

### Purchase Plan

The Purchase Plan allows eligible employees to purchase the Company's common shares through payroll withholding at a discount of up to 15% off the market price at the end of each six-month purchase period. For purchase periods between January 1, 2017 and June 30, 2019, the purchase price was 100% of the market price at the end of each six-month purchase period. For purchase periods beginning after June 30, 2019, the purchase price is 85% of the market price at the end of each six-month purchase period. Under ASC Topic 718, *Compensation—Stock Compensation* (ASC 718), the Company is required to record compensation expense related to the 15% discount. The 15% discount resulted in compensation expense of \$103,000 for the six-month period ended December 31, 2019.

### Restricted Stock Granted to Directors

Under the 1999 Incentive Plan and the 2014 Incentive Plan, restricted shares of the Company's common stock were granted to members of the Company's board of directors as a form of compensation. All remaining restricted shares issued under the 1999 Incentive Plan vested on April 8, 2017. Under ASC 718 accounting requirements, compensation expense related to restricted shares is based on the fair value of the restricted shares on their grant dates. On April 8, 2019, 15,700 shares of restricted stock were granted to the Company's nonemployee directors. The grant-date fair value of each share of restricted stock granted on April 8, 2019 was \$49.73 per share, the average of the high and low market price on the date of grant. The restricted shares granted to directors in 2019 vest 33.3% per year on April 8 of each year in the period 2020 through 2022 and are eligible for full dividend and voting rights. Restricted shares not vested and dividends on those restricted shares are subject to forfeiture under the terms of the restricted stock award agreement.

Presented below is a summary of the status of directors' restricted stock awards for the years ended December 31:

| Directors' Restricted Stock Awards  | 2019   |                                        | 2018   |                                        | 2017   |                                        |
|-------------------------------------|--------|----------------------------------------|--------|----------------------------------------|--------|----------------------------------------|
|                                     | Shares | Weighted Average Grant-Date Fair Value | Shares | Weighted Average Grant-Date Fair Value | Shares | Weighted Average Grant-Date Fair Value |
| Nonvested, Beginning of Year        | 43,225 | \$ 37.53                               | 46,800 | \$ 32.65                               | 46,334 | \$ 29.71                               |
| Granted                             | 15,700 | 49.73                                  | 18,200 | 43.40                                  | 17,600 | 37.75                                  |
| Vested                              | 18,320 | 36.02                                  | 21,775 | 31.94                                  | 17,134 | 29.93                                  |
| Forfeited                           | —      | —                                      | —      | —                                      | —      | —                                      |
| Nonvested, End of Year              | 40,605 | 42.93                                  | 43,225 | 37.53                                  | 46,800 | 32.65                                  |
| Compensation Expense Recognized     |        | \$ 776,000                             |        | \$ 661,000                             |        | \$ 658,000                             |
| Fair Value of Shares Vested in Year |        | \$ 660,000                             |        | \$ 696,000                             |        | \$ 513,000                             |

### Restricted Stock Granted to Employees

Under the 1999 Incentive Plan and 2014 Incentive Plan, restricted shares of the Company's common stock were granted to employees as a form of compensation. All remaining restricted shares issued under the 1999 Incentive Plan vested on April 8, 2017. Under ASC 718 accounting requirements, compensation expense related to restricted shares is based on the fair value of the restricted shares on their grant dates. No shares of restricted stock have been granted to employees since 2014.

Presented below is a summary of the status of employees' restricted stock awards for the years ended December 31:

| Employees' Restricted Stock Awards | 2019   |                                        | 2018   |                                        | 2017   |                                        |
|------------------------------------|--------|----------------------------------------|--------|----------------------------------------|--------|----------------------------------------|
|                                    | Shares | Weighted Average Grant-Date Fair Value | Shares | Weighted Average Grant-Date Fair Value | Shares | Weighted Average Grant-Date Fair Value |
| Nonvested, Beginning of Year       | —      | \$ —                                   | 2,895  | \$ 29.41                               | 7,180  | \$ 29.72                               |
| Granted                            | —      | —                                      | —      | —                                      | —      | —                                      |
| Vested                             | —      | —                                      | 2,895  | 29.41                                  | 4,285  | 29.94                                  |
| Forfeited                          | —      | —                                      | —      | —                                      | —      | —                                      |
| Nonvested, End of Year             | —      | —                                      | —      | —                                      | 2,895  | 29.41                                  |
| Compensation Expense Recognized    |        | \$ —                                   |        | \$ 16,000                              |        | \$ 70,000                              |
| Fair Value of Awards Vested        |        | \$ —                                   |        | \$ 85,000                              |        | \$ 128,000                             |

### Restricted Stock Units Granted to Executive Officers and Key Employees

On February 13, 2019, 15,600 restricted stock units under the 2014 Incentive Plan were granted to the Company's executive officers. The grant-date fair value of each restricted stock unit was \$49.6225 per share, the average of the high and low market price on the date of grant. On December 17, 2019, 600 restricted stock units under the 2014 Incentive Plan were granted to a key employee of the Company. The grant-date fair value of each restricted stock unit was \$52.165 per share, the average of the high and low market price on the date of grant. The restricted stock units granted in 2019 vest 25% per year on February 6 of each year in the period 2020 through 2023. The restricted stock units granted to executive officers and key employees are eligible to receive dividend equivalent payments on all unvested awards over the awards' respective vesting periods, subject to forfeiture under the terms of the restricted stock unit award agreements. The vesting of restricted stock units is accelerated in the event of a change in control, disability, death or retirement, subject to proration on retirement in certain cases.

Presented below is a summary of the status of dividend equivalent restricted stock unit awards granted to executive officers and key employees for the years ended December 31:

| Dividend Equivalent Restricted Stock Unit Awards |        | 2019                                   |        | 2018                                   |        | 2017                                   |
|--------------------------------------------------|--------|----------------------------------------|--------|----------------------------------------|--------|----------------------------------------|
|                                                  | Shares | Weighted Average Grant-Date Fair Value | Shares | Weighted Average Grant-Date Fair Value | Shares | Weighted Average Grant-Date Fair Value |
| Nonvested, Beginning of Year                     | 45,300 | \$ 35.70                               | 47,750 | \$ 32.71                               | 41,825 | \$ 30.23                               |
| Granted                                          | 16,200 | 49.72                                  | 15,200 | 41.325                                 | 15,900 | 37.65                                  |
| Vested                                           | 15,850 | 34.46                                  | 17,650 | 32.462                                 | 9,975  | 30.16                                  |
| Forfeited                                        | —      | —                                      | —      | —                                      | —      | —                                      |
| Nonvested, End of Year                           | 45,650 | 41.10                                  | 45,300 | 35.70                                  | 47,750 | 32.71                                  |
| Compensation Expense Recognized                  |        | \$ 1,055,000                           |        | \$ 769,000                             |        | \$ 576,000                             |
| Fair Value of Awards Vested                      |        | \$ 546,000                             |        | \$ 573,000                             |        | \$ 301,000                             |

### Restricted Stock Units Granted to Employees

In 2019, 13,270 restricted stock unit awards under the 2014 Incentive Plan were granted to certain employees of the Company. The grant-date fair value of each restricted stock unit was \$44.45 per share based on the average of the high and low market price of the Company's common stock on the date of grant, discounted for the value of the dividend exclusion over the four-year vesting period. The restricted stock units granted in 2019 vest 100% on April 8, 2023. The restricted stock units granted to employees of the Company are not eligible to receive dividend equivalent payments on unvested awards. Under the terms of the restricted stock unit award agreements, all outstanding (unvested) restricted stock units held by a retiring grantee vest immediately on normal retirement.

Presented below is a summary of the status of employees' restricted stock unit awards for the years ended December 31:

| Employees' Restricted Stock Unit Awards |                        | 2019                                   |                        | 2018                                   |                        | 2017                                   |
|-----------------------------------------|------------------------|----------------------------------------|------------------------|----------------------------------------|------------------------|----------------------------------------|
|                                         | Restricted Stock Units | Weighted Average Grant-Date Fair Value | Restricted Stock Units | Weighted Average Grant-Date Fair Value | Restricted Stock Units | Weighted Average Grant-Date Fair Value |
| Nonvested, Beginning of Year            | 49,470                 | \$ 31.03                               | 46,440                 | \$ 27.07                               | 47,370                 | \$ 25.19                               |
| Granted                                 | 13,270                 | 44.45                                  | 14,780                 | 38.99                                  | 10,995                 | 33.28                                  |
| Vested                                  | 13,250                 | 27.62                                  | 8,925                  | 25.23                                  | 11,550                 | 25.30                                  |
| Forfeited                               | 1,900                  | 34.57                                  | 2,825                  | 25.86                                  | 375                    | 26.92                                  |
| Nonvested, End of Year                  | 47,590                 | 35.58                                  | 49,470                 | 31.03                                  | 46,440                 | 27.07                                  |
| Compensation Expense Recognized         |                        | \$ 427,000                             |                        | \$ 351,000                             |                        | \$ 331,000                             |
| Fair Value of Awards Vested             |                        | \$ 366,000                             |                        | \$ 225,000                             |                        | \$ 292,000                             |

### Stock Performance Awards Granted to Executive Officers

Agreements for stock performance awards have been granted under the 2014 Incentive Plan for the Company's executive officers. Under these agreements, the officers could be awarded shares of the Company's common stock based on the Company's total shareholder return relative to that of its peer group of companies in the Edison Electric Institute (EEI) Index over a three-year period beginning on January 1 of the year the awards are granted. The awards also include a performance incentive based on the Company's average 3-year adjusted ROE relative to a targeted average 3-year adjusted ROE. The number of shares earned, if any, will be awarded and issued at the end of each three-year performance measurement period. The participants have no voting or dividend rights under these award agreements until common shares, if any, are issued at the end of the performance measurement period.

On February 13, 2019 performance share awards were granted to the Company's executive officers under the 2014 Incentive Plan for the 2019-2021 performance measurement period. Under the 2019 performance share awards the aggregate award for performance at target is 55,600 shares. For target performance the participants would earn an aggregate of 27,800 common shares for achieving the target set for the Company's 3-year average adjusted ROE. The participants would also earn an aggregate of 27,800 common shares based on the Company's total shareholder return relative to the total shareholder return of the companies that comprise the EEI Index over the performance measurement period of January 1, 2019 through December 31, 2021, with the beginning and ending share values based on the average closing price of a share of the Company's common stock for the 20 trading days immediately following January 1, 2019 and the average closing price for the 20 trading days immediately preceding January 1, 2022. Actual payment may range from zero to 150% of the target amount, or up to 83,400 common shares.



There are no voting or dividend rights related to these awards until the shares, if any, are issued at the end of the performance measurement period. The amount of payment in the event of retirement, resignation for good reason or involuntary termination without cause is to be made at the end of the performance period based on actual performance, subject to proration in certain cases, except that the payment of performance awards granted to an officer who is party to an Executive Employment Agreement with the Company is to be made at target at the date of any such event. The vesting of these awards is accelerated and paid at target on the event of a change in control. The terms of these awards are such that the entire award will be classified and accounted for as equity, as required under ASC 718, and will be measured over the performance period based on the grant-date fair value of the award. The grant-date fair value of each performance share award was determined using a Monte Carlo fair valuation simulation model.

The table below provides a summary of stock performance awards granted and amounts expensed related to the stock performance awards:

| Performance Period | Maximum Shares Subject To Award | Target Shares | Expense Recognized in the Year Ended December 31, |              |              | Earned Shares |
|--------------------|---------------------------------|---------------|---------------------------------------------------|--------------|--------------|---------------|
|                    |                                 |               | 2019                                              | 2018         | 2017         |               |
| 2019-2021          | 83,400                          | 55,600        | \$ 2,168,000                                      |              |              |               |
| 2018-2020          | 81,000                          | 54,000        | 897,000                                           | \$ 1,121,000 |              |               |
| 2017-2019          | 89,250                          | 59,500        | 524,000                                           | 729,000      | \$ 854,000   | 69,997        |
| 2016-2018          | 122,250                         | 81,500        | 8,000                                             | 772,000      | 580,000      | 113,298       |
| 2015-2017          | 126,450                         | 84,300        | —                                                 | 23,000       | 573,000      | 114,648       |
| Total              |                                 |               | \$ 3,597,000                                      | \$ 2,645,000 | \$ 2,007,000 | 297,943       |

Stock-based payment expense recognized in 2019, 2018 and 2017 for the 2019-2021, 2018-2020 and 2017-2019 performance awards reflects the accelerated recognition of expense for outstanding and unvested awards of executives who are eligible for retirement and whose awards vest on normal retirement, as defined in the performance award agreements, prior to the vesting dates of the awards.

The earned shares shown in the table above for the 2016-2018 and 2017-2019 performance periods include vested shares issued in 2018 to a participant who retired on December 31, 2017 and had reached age 62 prior to retirement.

The earned shares shown in the table above for the 2017-2019 performance period also include shares received in 2020 by participants in the plan based on the Company achieving a total shareholder return ranking of 19 out of 39 companies in the EEI Index and an average 3-year adjusted ROE in excess of the targeted average 3-year adjusted ROE of 9.5% resulting in a payout at 120.19% of target.

The earned shares shown in the table above for the 2016-2018 performance period also include shares received in 2019 by participants in the plan based on the Company achieving a total shareholder return ranking of 1 out of 41 companies in the EEI Index and an average 3-year adjusted ROE in excess of the targeted average 3-year adjusted ROE of 10.00% resulting in a payout at 145.17% of target.

The earned shares shown in the table above for the 2015-2017 performance period include shares received in 2018 by participants in the plan based on the Company achieving a total shareholder return ranking of 2 out of 42 companies in the EEI Index and an average 3-year adjusted ROE in excess of the targeted average 3-year adjusted ROE of 10.00% resulting in a payout at 136.00% of target.

As of December 31, 2019, the total remaining unrecognized amount of compensation expense related to stock-based compensation for all of the Company's stock-based payment programs was approximately \$3.5 million (before income taxes), which will be amortized over a weighted average period of 1.9 years.

## 7. Retained Earnings and Dividend Restriction

The Company is a holding company with no significant operations of its own. The primary source of funds for payments of dividends to the Company's shareholders is from dividends paid or distributions made by the Company's subsidiaries. As a result of certain statutory limitations or regulatory or financing agreements, restrictions could occur on the amount of distributions allowed to be made by the Company's subsidiaries.

Both the Company and OTP credit agreements contain restrictions on the payment of cash dividends upon a default or event of default. An event of default would be considered to have occurred if the Company did not meet certain financial covenants. As of December 31, 2019, the Company was in compliance with these financial covenants.

Under the Federal Power Act, a public utility may not pay dividends from any funds properly included in a capital account. What constitutes

"funds properly included in a capital account" is undefined in the Federal Power Act or the related regulations; however, the FERC has consistently interpreted the provision to allow dividends to be paid as long as (1) the source of the dividends is clearly disclosed, (2) the dividend is not excessive and (3) there is no self-dealing on the part of corporate officials.

The MPUC indirectly limits the amount of dividends OTP can pay to the Company by requiring an equity-to-total-capitalization ratio between 46.0% and 56.2% based on OTP's 2019 capital structure petition effective by order of the MPUC on July 19, 2019. As of December 31, 2019, OTP's equity-to-total-capitalization ratio including short-term debt was 51.2% and its net assets restricted from distribution totaled approximately \$519 million. Under the 2019 capital structure petition, total capitalization for OTP cannot exceed \$1,331,302,000.

## 8. Leases

The Company adopted ASU 2016-02 and related updates (ASC 842), which replaced previous lease accounting guidance, on January 1, 2019, using the modified retrospective method of adoption. As a result, prior periods have not been restated. ASC 842 requires lessees to record assets and liabilities on the balance sheet for all leases with terms longer than 12 months. Adoption of the standard resulted in the recognition of net lease assets and lease liabilities of \$20 million on January 1, 2019. The adoption of the new standard did not have a material effect on the Company's consolidated statements of income or cash flows. In addition, the adoption did not have a material impact on the Company's liquidity or the Company's covenant compliance under its current debt agreements.

The Company elected the package of practical expedients permitted under the transition guidance within the new standard, which among other things, allows for the carry forward of lease classifications determined under the requirements of ASC Topic 840. The Company also elected the practical expedient related to land easements, allowing for the continuation of historical accounting treatment for land easements on existing agreements at OTP. In addition, the Company has elected the hindsight practical expedient to determine the reasonably certain lease term for leases in place at the time of adoption. The Company has elected the practical expedient to not separate nonlease components from lease components on real estate leases for the purpose of determining the classification and the value of lease assets and lease liabilities at the inception of a lease.

The Company enters into leases for coal rail cars, warehouse and office space, land and certain office, manufacturing and material handling equipment under varying terms and conditions. The lengths of the leases vary from less than one year to approximately ten years. If a lease contains an option to extend and there is reasonable certainty the option will be exercised, the option is considered in the lease term at inception. None of these leases met the criteria to be classified as financing leases. Of the operating leases in place on January 1, 2019, 50 were capitalized as right-of-use assets and the remainder were month-to-month leases with no long-term obligations.

The right-of-use asset operating leases in place at the time of adoption were capitalized on the basis of their remaining payment obligation balances, discounted to present value based on the Company's incremental borrowing rates (IBRs) appropriate to the leased asset and lease terms. The remaining payments for operating lease right-of-use assets are being charged to expense on a straight-line basis over the life of the lease.

For the Company's current lease obligations, no explicit interest rates were stated in the lease agreements and no implicit rates could be determined based on the terms of the agreements. Therefore, in all cases, the Company has applied a formula-based IBR appropriate to the individual company, type of lease and lease term.

The breakdown of right-of-use assets and lease liabilities as of December 31, 2019 by business segment is provided in the following table.

| <i>(in thousands)</i>                 | Electric | Manufacturing | Plastics | Corporate | Total    |
|---------------------------------------|----------|---------------|----------|-----------|----------|
| Right of Use Assets—                  |          |               |          |           |          |
| Operating Leases:                     |          |               |          |           |          |
| Gross                                 | \$ 4,137 | \$ 20,347     | \$ 666   | \$ 769    | \$25,919 |
| Accumulated Amortization              | (1,166)  | (2,375)       | (395)    | (132)     | (4,068)  |
| Net of Accumulated Amortization       | \$ 2,971 | \$ 17,972     | \$ 271   | \$ 637    | \$21,851 |
| Obligations:                          |          |               |          |           |          |
| Current Operating Lease Liabilities   | \$ 1,116 | \$ 2,609      | \$ 256   | \$ 155    | \$ 4,136 |
| Long-Term Operating Lease Liabilities | 2,176    | 15,470        | 15       | 532       | 18,193   |
| Total Lease Liabilities               | \$ 3,292 | \$ 18,079     | \$ 271   | \$ 687    | \$22,329 |

The amounts of the Company's right-of-use operating lease obligations as of December 31, 2019 for each of the five years in the period 2020 through 2024 and in aggregate for the years beyond 2024 are presented in the following table.

| <i>(in thousands)</i>                                   | Right-of-Use Operating Leases |             |           |
|---------------------------------------------------------|-------------------------------|-------------|-----------|
|                                                         | OTP                           | Nonelectric | Total     |
| 2020                                                    | \$ 1,243                      | \$ 3,969    | \$ 5,212  |
| 2021                                                    | 1,228                         | 3,717       | 4,945     |
| 2022                                                    | 326                           | 3,588       | 3,914     |
| 2023                                                    | 268                           | 3,303       | 3,571     |
| 2024                                                    | 217                           | 2,870       | 3,087     |
| Beyond 2024                                             | 283                           | 5,304       | 5,587     |
| Total Minimum Obligations                               | \$ 3,565                      | \$ 22,751   | \$ 26,316 |
| Interest Component of Obligations                       | (273)                         | (3,714)     | (3,987)   |
| Present Value of Minimum Obligations, December 31, 2019 | \$ 3,292                      | \$ 19,037   | \$ 22,329 |

The weighted-average remaining lease term for the Company's outstanding lease liabilities is 6.0 years and the weighted-average discount rate is 5.3%.

A reconciliation of the Company's operating lease obligations on adoption of ASC Topic 842 on January 1, 2019 and its operating lease obligations on December 31, 2019 is provided in the table below.

| <i>(in thousands)</i>                          | OTP      | Nonelectric | Total     |
|------------------------------------------------|----------|-------------|-----------|
| Operating Lease Obligations, January 1, 2019   | \$ 3,609 | \$ 16,760   | \$ 20,369 |
| Non-cash Acquisition of Right-of-Use Assets    | 758      | 5,560       | 6,318     |
| Lease Modifications                            | 71       | (187)       | (116)     |
| Lease Obligation Payments                      | (1,316)  | (4,055)     | (5,371)   |
| Interest Component of Lease Obligation Payment | 170      | 959         | 1,129     |
| Operating Lease Obligations, December 31, 2019 | \$ 3,292 | \$ 19,037   | \$ 22,329 |

The lease modifications in the above table include adjustments in future minimum lease obligations on several units of leased equipment along with reductions for equipment leases terminated prior to the end of the original lease term when the equipment being leased was replaced with new equipment under a new lease.

OTP has obligations to make future operating lease payments primarily related to coal rail-car leases. OTP's rail-car lease payments are charged to fuel inventory and then expensed to production fuel—electric as a component of fuel cost when fuel is burned. OTP also leases office and operating equipment with lease payments charged to rent expense and reported in electric operation and maintenance expenses on the Company's consolidated statements of income. From time to time, OTP will lease construction equipment or land for lay-down yards for materials used on capital projects. These leases are generally short term in nature with the lease payments being charged to the related construction project and included in CWIP or plant in service after the project is completed and placed in service.

The Company's nonelectric companies have obligations to make future operating lease payments primarily related to leases of buildings and manufacturing equipment. These payments are charged to rent expense accounts and reported in costs of products sold or other nonelectric expenses, as appropriate, on the Company's consolidated statements of income.

The allocation of right-of-use asset and variable lease costs, including non-cash costs related to straight-line amortization of escalating lease payments, for 2019 is presented in the following table.

| <i>(in thousands)</i>                       | Operating Lease Cost | Variable Lease Cost | Total Lease Cost |
|---------------------------------------------|----------------------|---------------------|------------------|
| Plant in Service or CWIP                    | \$ 29                | \$ —                | \$ 29            |
| Inventory                                   | 952                  | —                   | 952              |
| Cost of Products Sold                       | 3,848                | 1,068               | 4,916            |
| Electric Operation and Maintenance Expenses | 334                  | —                   | 334              |
| Other Nonelectric Expenses                  | 208                  | —                   | 208              |
| Total                                       | \$ 5,371             | \$ 1,068            | \$ 6,439         |

Prior to adopting ASU 842, the Company recorded operating lease payments primarily related to leases of buildings and manufacturing equipment according to the requirements of ASC 840—*Leases* (ASC 840). Under ASC 840, these payments were charged to rent expense accounts and reported in electric operations and maintenance, costs of products sold or other nonelectric expenses, as appropriate, on the Company's consolidated statements of income. Lease payment expenses including payments for rail car leases totaled \$6,273,000 and \$6,237,000 in 2018 and 2017, respectively.

## 9. Commitments and Contingencies

### Construction and Other Purchase Commitments

At December 31, 2019 OTP had commitments under contracts, including its share of construction program and other commitments, extending into 2021 of approximately \$317 million. OTP's other commitments charged to rent expense totaled \$283,000, \$252,000 and \$280,000 in 2019, 2018 and 2017, respectively.

On October 1, 2019 TOP entered into a new six-year resin supply agreement that commenced on January 1, 2020. Under the new resin

supply agreement, there are no minimum purchase requirements, but T.O. Plastics is required to purchase all of a specified class of regrind resin delivered by the supplier at a set price per pound. Based on current forecasted production levels, T.O. Plastics anticipates the quantity of resin delivered under the supply agreement will not exceed its requirements over the six-year term of the supply agreement or exceed the market cost of alternative sources of the resin. T.O. Plastics estimates it will pay the supplier approximately \$1.9 million annually under this agreement.

### Electric Utility Capacity and Energy Requirements and Coal Purchase and Delivery Contracts

OTP has commitments for the purchase of capacity and energy requirements under agreements extending into 2043. OTP also has contracts providing for the purchase and delivery of a significant portion of its current coal requirements. OTP's current coal purchase agreements for Coyote Station expire at the end of 2040. OTP's current coal purchase agreements for Big Stone Plant expire at the end of 2020. OTP has an agreement with Peabody COALSLES, LLC for the purchase of subbituminous coal for Big Stone Plant's coal requirements through December 31, 2020. There is no fixed minimum purchase requirement under this agreement but all of Big Stone Plant's coal requirements for the period covered must be purchased under this agreement. OTP has an all-requirements agreement with Navajo Transitional Energy Co. (NTEC) for the purchase of subbituminous coal for Hoot Lake Plant through December 31, 2023. There are no fixed minimum purchase requirements under this agreement. In October 2019, NTEC purchased the assets of Cloud Peak Energy Resources LLC, including its Spring Creek Mine in southeast Montana, through bankruptcy court. For a two-day period in October, operations at the Spring Creek Mine were suspended due to a disagreement between the Montana Department of Environmental Quality and the NTEC. Subsequent to the suspension of operations, the two parties have agreed to allow the mine to operate for an additional period while they work to resolve differences regarding the NTEC's waiver of sovereign immunity from the state's environmental laws.

### OTP Land Easements

OTP has commitments to make future payments for land easements not classified as leases, extending into 2034 of approximately \$10.2 million. Land easement payments charged to rent expense totaled \$617,000, \$605,000 and \$593,000 in 2019, 2018 and 2017, respectively.

The amounts of the Company's construction program and other commitments and commitments under capacity and energy agreements, coal purchase and coal delivery contracts and land easements as of December 31, 2019, are as follows:

| <i>(in thousands)</i> | Construction Program and Other Commitments | Capacity and Energy Requirements | Coal Purchase Commitments | OTP Land Easement Payments |
|-----------------------|--------------------------------------------|----------------------------------|---------------------------|----------------------------|
| 2020                  | \$ 269,774                                 | \$ 24,844                        | \$ 22,644                 | \$ 630                     |
| 2021                  | 47,230                                     | 12,988                           | 22,935                    | 642                        |
| 2022                  | 22                                         | 11,827                           | 22,793                    | 655                        |
| 2023                  | 11                                         | 11,827                           | 23,955                    | 668                        |
| 2024                  | 6                                          | 11,801                           | 24,369                    | 682                        |
| Beyond 2024           | —                                          | 131,913                          | 479,123                   | 6,931                      |
| Total                 | \$ 317,043                                 | \$ 205,200                       | \$ 595,819                | \$ 10,208                  |

## Contingencies

OTP had a \$3.0 million refund liability on its balance sheet as of December 31, 2019. This represents its best estimate of the refund obligations that would arise net of amounts that would be subject to recovery under state jurisdictional TCR riders. This is based on the outcome of the appeals of the FERC ruling reducing the ROE component of the MISO Tariff and ordering MISO to refund amounts charged in excess of the lower rate. As discussed in note 3 in greater detail, OTP believes its estimated accrued refund liability is appropriate based on the current facts and circumstances and is awaiting results of the appeal before determining if a change in this estimate will be needed.

Contingencies, by their nature, relate to uncertainties that require the Company's management to exercise judgment both in assessing the likelihood a liability has been incurred as well as in estimating the amount of potential loss. In addition to the potential ROE refund described above, the most significant contingencies that could impact the Company's consolidated financial statements are those related to environmental remediation, risks associated with warranty claims relating to divested businesses that could exceed established reserve amounts, risks associated with adverse regulatory decisions that could impact the recovery of fixed asset costs in future rates and litigation matters.

On August 30, 2019 OTP submitted a depreciation technical update to the MPUC for approval. MPUC approval of OTP's depreciation technical update is currently pending resolution of a disagreement with the MNDOC over the remaining lives assigned to certain of OTP's fixed assets, including Hoot Lake Plant and seven hydroelectric plants. Resolution of the disagreement could result in an increase in depreciation expense without provision for recovery of a portion of the unrecovered costs of those assets. OTP cannot determine at this time what portion, if any, of the current unrecovered costs of these assets would be lost as a result of resolving the disagreement over remaining lives, but estimates that the remaining useful lives recommended by the MNDOC could result in an asset impairment charge and after-tax reduction in net income of up to \$1.1 million.

State implementation of pollution control plans to improve visibility and air quality at national parks under the EPA's Regional Haze Rule (RHR) could require OTP to incur significant new costs, which could, dependent on determinations by state regulatory commissions on approval to recover such costs from customers, negatively impact OTP's and the Company's net income, financial position and cash flows. OTP understands that the North Dakota Department of Environmental Quality (NDDEQ) intends to require sources subject to RHR Round 2 reasonable progress determinations, including Coyote Station, to undertake emissions control measures that are reasonably consistent with those required of sources during Round 1. While this process is still in the early stages, if the NDDEQ maintains its initial position, OTP anticipates that significant emissions controls would be required at Coyote Station by December 31, 2028 in order to maintain compliance with the RHR. Plans are due to be submitted to the EPA by July 2021. OTP expects the NDDEQ to begin drafting preliminary control scenarios for regional visibility modeling in the first quarter of 2020 and a state implementation plan in mid-2020. In light of the costs for such emissions control equipment, there are scenarios where it may not be economically feasible to invest in such equipment and an early retirement of the Coyote Station would therefore be necessary. The costs related to an early retirement of Coyote Station would be material to OTP and the Company and would be subject to state commission approval for recovery from customers.

## Other

The Company is a party to litigation and regulatory enforcement matters arising in the normal course of business. The Company regularly analyzes current information and, as necessary, provides accruals for liabilities that are probable of occurring and that can be reasonably estimated. The Company believes the effect on its consolidated results of operations, financial position and cash flows, if any, for the disposition of all matters pending as of December 31, 2019, other than those relating to the RHR, will not be material.

## 10. Short-Term and Long-Term Borrowings

### Short-Term Debt

The following table presents the status of the Company's lines of credit as of December 31, 2019 and December 31, 2018:

| (in thousands)                          | Line Limit | Restricted due to |                   |                   |                   |
|-----------------------------------------|------------|-------------------|-------------------|-------------------|-------------------|
|                                         |            | In Use On         | Outstanding       | Available on      | Available on      |
|                                         |            | December 31, 2019 | Letters of Credit | December 31, 2019 | December 31, 2018 |
| Otter Tail Corporation Credit Agreement |            |                   |                   |                   |                   |
|                                         | \$ 170,000 | \$ 6,000          | \$ —              | \$ 164,000        | \$ 120,785        |
| OTP Credit Agreement                    |            |                   |                   |                   |                   |
|                                         | 170,000    | —                 | 15,476            | 154,524           | 160,316           |
| Total                                   | \$ 340,000 | \$ 6,000          | \$ 15,476         | \$ 318,524        | \$ 281,101        |

Under the Otter Tail Corporation Credit Agreement (as defined below), the maximum amount of debt outstanding in 2019 was \$38.9 million on July 17, 2019 and the average daily balance of debt outstanding during 2019 was \$21.9 million. The weighted average interest rate paid on debt outstanding under the OTC Credit Agreement was 3.8% in 2019 and 3.8% in 2018. Under the OTP Credit Agreement (as defined below), the maximum amount of debt outstanding in 2019 was \$73.2 million on October 2, 2019 and the average daily balance of debt outstanding during 2019 was \$14.3 million. The weighted average interest rate paid on debt outstanding under the OTP Credit Agreement during 2019 was 3.6% compared with 3.0% in 2018. The maximum amount of consolidated short-term debt outstanding in 2019 was \$109.2 million on October 1, 2019 and the average daily balance of consolidated short-term debt outstanding during 2019 was \$36.2 million. The weighted average interest rate on consolidated short-term debt outstanding on December 31, 2019 was 3.2%.

On October 29, 2012 the Company entered into a Third Amended and Restated Credit Agreement (the OTC Credit Agreement), which provided for an unsecured \$130 million revolving credit facility that could be increased subject to certain terms and conditions. On October 31, 2019 the OTC Credit Agreement was amended to extend its expiration date by one year from October 31, 2023 to October 31, 2024, and to increase the amount of the revolving credit facility to \$170 million. The amendment also provides this facility can be increased to \$290 million subject to certain terms and conditions. The Company can draw on this credit facility to refinance certain indebtedness and support its operations and the operations of certain of its subsidiaries. Borrowings under the OTC Credit Agreement bear interest at LIBOR plus 1.50%, subject to adjustment based on the Company's senior unsecured credit ratings or the issuer rating if a rating is not provided for the senior unsecured credit. The Company is required to pay commitment fees based on the average daily unused amount available to be drawn under the revolving



credit facility. The OTC Credit Agreement contains a number of restrictions on the Company and the businesses of its wholly owned subsidiary, Varistar Corporation (Varistar) and its subsidiaries, including restrictions on the Company's and Varistar's ability to merge, sell assets, make investments, create or incur liens on assets, guarantee the obligations of certain other parties and engage in transactions with related parties. The OTC Credit Agreement also contains affirmative covenants and events of default, and financial covenants as described below under the heading "Financial Covenants." The OTC Credit Agreement does not include provisions for the termination of the agreement or the acceleration of repayment of amounts outstanding due to changes in the Company's credit ratings. The Company's obligations under the OTC Credit Agreement are guaranteed by certain of the Company's subsidiaries. Outstanding letters of credit issued by the Company under the OTC Credit Agreement can reduce the amount available for borrowing under the line by up to \$40 million.

On October 29, 2012 OTP entered into a Second Amended and Restated Credit Agreement (the OTP Credit Agreement), providing for an unsecured \$170 million revolving credit facility that may be increased to \$250 million on the terms and subject to the conditions described in the OTP Credit Agreement. On October 31, 2019 the OTP Credit Agreement was amended to extend its expiration date by one year from October 31, 2023 to October 31, 2024. OTP can draw on this credit facility to support the working capital needs and other capital requirements of its operations, including letters of credit in an aggregate amount not to exceed \$50 million outstanding at any time. Borrowings under this line of credit bear interest at LIBOR plus 1.25%, subject to adjustment based on the ratings of OTP's senior unsecured debt or the issuer rating if a rating is not provided for the senior unsecured debt. OTP is required to pay commitment fees based on the average daily unused amount available to be drawn under the revolving credit facility. The OTP Credit Agreement contains a number of restrictions on the business of OTP, including restrictions on its ability to merge, sell assets, make investments, create or incur liens on assets, guarantee the obligations of any other party, and engage in transactions with related parties. The OTP Credit Agreement also contains affirmative covenants and events of default, and financial covenants as described below under the heading "Financial Covenants." The OTP Credit Agreement does not include provisions for the termination of the agreement or the acceleration of repayment of amounts outstanding due to changes in OTP's credit ratings. OTP's obligations under the OTP Credit Agreement are not guaranteed by any other party.

Both the Otter Tail Corporation Credit Agreement and the OTP Credit Agreement currently expire on October 31, 2024. Borrowings under these agreements currently use LIBOR as the base to determine the applicable interest rate. LIBOR is currently expected to be eliminated by January 1, 2022. Both credit agreements contain a provision to determine how interest rates will be established in the event a replacement for LIBOR has not been identified before the agreement expires. The process calls for the parties to jointly agree on an alternate rate of interest to LIBOR, such as the Secured Overnight Financing Rate, that gives due consideration to prevailing market convention for determining a rate of interest for syndicated loans in the United States at such time. The parties will enter into amendments to these agreements to reflect any alternate rate of interest and other related changes to the agreements as may be applicable. If for any reason an agreement cannot be reached on an alternate rate of interest, then any borrowings under the agreements will be determined using the Prime Rate plus a margin based on the Company's and OTP's Long-Term Debt Ratings at the time of the borrowings. If the alternate rate of interest agreed to by the parties is less than zero, such rate shall be deemed to be zero for the purposes of the credit agreement.

## LONG-TERM DEBT ISSUANCES AND RETIREMENTS

### 2019 Note Purchase Agreement

On September 12, 2019, OTP entered into a Note Purchase Agreement with the purchasers named therein (the 2019 Note Purchase Agreement), pursuant to which OTP agreed to issue to the purchasers, in a private placement transaction, \$175 million aggregate principal amount of OTP's senior unsecured notes consisting of (a) \$10,000,000 aggregate principal amount of its 3.07% Series 2019A Senior Unsecured Notes due October 10, 2029 (the Series 2019A Notes), (b) \$26,000,000 aggregate principal amount of its 3.52% Series 2019B Senior Unsecured Notes due October 10, 2039 (the Series 2019B Notes), (c) \$64,000,000 aggregate principal amount of its 3.82% Series 2019C Senior Unsecured Notes due October 10, 2049 (the Series 2019C Notes), (d) \$10,000,000 aggregate principal amount of its 3.22% Series 2020A Senior Unsecured Notes due February 25, 2030 (the Series 2020A Notes), (e) \$40,000,000 aggregate principal amount of its 3.22% Series 2020B Senior Unsecured Notes due August 20, 2030 (the Series 2020B Notes), (f) \$10,000,000 aggregate principal amount of its 3.62% Series 2020C Senior Unsecured Notes due February 25, 2040 (the Series 2020C Notes) and (g) \$15,000,000 aggregate principal amount of its 3.92% Series 2020D Senior Unsecured Notes due February 25, 2050 (the Series 2020D Notes); and together with the Series 2019A Notes, the Series 2019B Notes, the Series 2019C Notes, the Series 2020A Notes, the Series 2020B Notes and the Series 2020C Notes, (the Notes).

On October 10, 2019, OTP issued the Series 2019A Notes, Series 2019B Notes and Series 2019C Notes (the 2019 Notes) pursuant to the 2019 Note Purchase Agreement. OTP used a portion of the \$100 million proceeds from the issuance to repay \$69.9 million of existing indebtedness under the OTP Credit Agreement, primarily incurred to fund OTP capital expenditures, and intends to use the remainder of the proceeds to pay for additional capital expenditures and for OTP's general corporate purposes. The Series 2020A Notes, the Series 2020C Notes and the Series 2020D Notes are expected to be issued on February 25, 2020, and the Series 2020B Notes are expected to be issued on August 20, 2020, subject to the satisfaction of certain customary conditions to closing.

OTP may prepay all or any part of the 2019 Notes (in an amount not less than 10% of the aggregate principal amount of the 2019 Notes then outstanding in the case of a partial prepayment) at 100% of the principal amount so prepaid, together with unpaid accrued interest and a make-whole amount; provided that if no default or event of default exists under the 2019 Note Purchase Agreement, any prepayment made by OTP of all of the (a) Series 2019A Notes then outstanding on or after April 10, 2029, (b) Series 2019B Notes then outstanding on or after April 10, 2039 or (c) Series 2019C Notes then outstanding on or after April 10, 2049 will be made without any make-whole amount. The 2019 Note Purchase Agreement also requires OTP to offer to prepay all outstanding Notes at 100% of the principal amount together with unpaid accrued interest in the event of a Change of Control (as defined in the 2019 Note Purchase Agreement) of OTP.

The 2019 Note Purchase Agreement contains a number of restrictions on the business of OTP. These include restrictions on OTP's abilities to merge, sell assets, create or incur liens on assets, guarantee the obligations of any other party, and engage in transactions with related parties. The 2019 Note Purchase Agreement also contains other negative covenants and events of default, as well as certain financial covenants as described below under the heading "Financial Covenants." The 2019 Note Purchase Agreement does not include provisions for the termination of the agreement or the acceleration of repayment of amounts outstanding due to changes in OTP's credit ratings. The 2019 Note Purchase Agreement includes a "most favored lender" provision generally requiring that in the event OTP's existing credit agreement or any renewal, extension or replacement thereof, at any time contains any financial covenant or other provision providing for limitations on



interest expense and such a covenant is not contained in the 2019 Note Purchase Agreement under substantially similar terms or would be more beneficial to the holders of the Notes than any analogous provision contained in the 2019 Note Purchase Agreement (an Additional Covenant), then unless waived by the Required Holders (as defined in the 2019 Note Purchase Agreement), the Additional Covenant will be deemed to be incorporated into the 2019 Note Purchase Agreement. The 2019 Note Purchase Agreement also provides for the amendment, modification or deletion of an Additional Covenant if such Additional Covenant is amended or modified under or deleted from the credit agreement, provided that no default or event of default has occurred and is continuing.

#### **2018 Note Purchase Agreement**

On November 14, 2017, OTP entered into a Note Purchase Agreement (the 2018 Note Purchase Agreement) with the purchasers named therein, pursuant to which OTP agreed to issue to the purchasers, in a private placement transaction, \$100 million aggregate principal amount of OTP's 4.07% Series 2018A Senior Unsecured Notes due February 7, 2048 (the 2018 Notes). The 2018 Notes were issued on February 7, 2018. Proceeds from the 2018 Notes were used to repay outstanding borrowings under the OTP Credit Agreement.

OTP may prepay all or any part of the 2018 Notes (in an amount not less than 10% of the aggregate principal amount of the Notes then outstanding in the case of a partial prepayment) at 100% of the principal amount so prepaid, together with unpaid accrued interest and a make-whole amount; provided that if no default or event of default exists under the 2018 Note Purchase Agreement, any prepayment made by OTP of all of the 2018 Notes then outstanding on or after August 7, 2047 will be made without any make-whole amount. The 2018 Note Purchase Agreement also requires OTP to offer to prepay all outstanding 2018 Notes at 100% of the principal amount together with unpaid accrued interest in the event of a Change of Control (as defined in the 2018 Note Purchase Agreement) of OTP.

The 2018 Note Purchase Agreement contains a number of restrictions on the business of OTP. These include restrictions on OTP's abilities to merge, sell assets, create or incur liens on assets, guarantee the obligations of any other party, and engage in transactions with related parties. The 2018 Note Purchase Agreement also contains other negative covenants and events of default, as well as certain financial covenants as described below under the heading "Financial Covenants." The 2018 Note Purchase Agreement does not include provisions for the termination of the agreement or the acceleration of repayment of amounts outstanding due to changes in OTP's credit ratings. The 2018 Note Purchase Agreement includes a "most favored lender" provision generally requiring that in the event the OTP Credit Agreement or any renewal, extension or replacement thereof, at any time contains any financial covenant or other provision providing for limitations on interest expense and such a covenant is not contained in the 2018 Note Purchase Agreement under substantially similar terms or would be more beneficial to the holders of the 2018 Notes than any analogous provision contained in the 2018 Note Purchase Agreement (an Additional Covenant), then unless waived by the Required Holders (as defined in the 2018 Note Purchase Agreement), the Additional Covenant will be deemed to be incorporated into the 2018 Note Purchase Agreement. The 2018 Note Purchase Agreement also provides for the amendment, modification or deletion of an Additional Covenant if such Additional Covenant is amended or modified under or deleted from the OTP Credit Agreement, provided that no default or event of default has occurred and is continuing.

#### **2016 Note Purchase Agreement**

On September 23, 2016 the Company entered into a Note Purchase Agreement (the 2016 Note Purchase Agreement) with the purchasers named therein, pursuant to which the Company agreed to issue to the purchasers, in a private placement transaction, \$80 million aggregate principal amount of its 3.55% Guaranteed Senior Notes due December 15, 2026 (the 2026 Notes). The 2026 Notes were issued on December 13, 2016. The Company's obligations under the 2016 Note Purchase Agreement and the 2026 Notes are guaranteed by its Material Subsidiaries (as defined in the 2016 Note Purchase Agreement, but specifically excluding OTP). The proceeds from the issuance of the 2026 Notes were used to repay the remaining \$52,330,000 of the Company's 9.000% Senior Notes due December 15, 2016, and to pay down a portion of the \$50 million in funds borrowed in February 2016 under the Company's term loan agreement.

The Company may prepay all or any part of the 2026 Notes (in an amount not less than 10% of the aggregate principal amount of the 2026 Notes then outstanding in the case of a partial prepayment) at 100% of the principal amount prepaid, together with unpaid accrued interest and a make-whole amount; provided that if no default or event of default exists under the 2016 Note Purchase Agreement, any optional prepayment made by the Company of all of the 2026 Notes on or after September 15, 2026 will be made without any make-whole amount. The Company is required to offer to prepay all the outstanding 2026 Notes at 100% of the principal amount together with unpaid accrued interest in the event of a Change of Control (as defined in the 2016 Note Purchase Agreement) of the Company. In addition, if the Company and its Material Subsidiaries sell a "substantial part" of its or their assets and use the proceeds to prepay or retire senior Interest-bearing Debt (as defined in the 2016 Note Purchase Agreement) of the Company and/or a Material Subsidiary in accordance with the terms of the 2016 Note Purchase Agreement, the Company is required to offer to prepay a Ratable Portion (as defined in the 2016 Note Purchase Agreement) of the 2026 Notes held by each holder of the 2026 Notes.

The 2016 Note Purchase Agreement contains a number of restrictions on the business of the Company and the Material Subsidiaries that became effective on execution of the 2016 Note Purchase Agreement. These include restrictions on the Company's and the Material Subsidiaries' abilities to merge, sell assets, create or incur liens on assets, guarantee the obligations of any other party, engage in transactions with related parties, redeem or pay dividends on the Company's and the Material Subsidiaries' shares of capital stock, and make investments. The 2016 Note Purchase Agreement also contains other negative covenants and events of default, as well as certain financial covenants as described below under the heading "Financial Covenants." The 2016 Note Purchase Agreement does not include provisions for the termination of the agreement or the acceleration of repayment of amounts outstanding due to changes in the Company's or the Material Subsidiaries' credit ratings.

### 2013 Note Purchase Agreement

On August 14, 2013 OTP entered into a Note Purchase Agreement (the 2013 Note Purchase Agreement) with the purchasers named therein pursuant to which OTP agreed to issue to the purchasers, in a private placement transaction, \$60 million aggregate principal amount of OTP's 4.68% Series A Senior Unsecured Notes due February 27, 2029 (the Series A Notes) and \$90 million aggregate principal amount of OTP's 5.47% Series B Senior Unsecured Notes due February 27, 2044 (the Series B Notes and, together with the Series A Notes, the 2013 Notes). The 2013 Notes were issued on February 27, 2014.

The 2013 Note Purchase Agreement states that OTP may prepay all or any part of the 2013 Notes (in an amount not less than 10% of the aggregate principal amount of the 2013 Notes then outstanding in the case of a partial prepayment) at 100% of the principal amount prepaid, together with accrued interest and a make-whole amount, provided that if no default or event of default under the 2013 Note Purchase Agreement exists, any optional prepayment made by OTP of (i) all of the Series A Notes then outstanding on or after November 27, 2028 or (ii) all of the Series B Notes then outstanding on or after November 27, 2043, will be made at 100% of the principal prepaid but without any make-whole amount. In addition, the 2013 Note Purchase Agreement states OTP must offer to prepay all the outstanding Notes at 100% of the principal amount together with unpaid accrued interest in the event of a Change of Control (as defined in the 2013 Note Purchase Agreement) of OTP.

The 2013 Note Purchase Agreement contains a number of restrictions on the business of OTP, including restrictions on OTP's ability to merge, sell assets, create or incur liens on assets, guarantee the obligations of any other party, and engage in transactions with related parties. The 2013 Note Purchase Agreement also contains affirmative covenants and events of default, as well as certain financial covenants as described below under the heading "Financial Covenants." The 2013 Note Purchase Agreement does not include provisions for the termination of the agreement or the acceleration of repayment of amounts outstanding due to changes in OTP's credit ratings. The 2013 Note Purchase Agreement includes a "most favored lender" provision generally requiring that in the event the OTP Credit Agreement or any renewal, extension or replacement thereof, at any time contains any financial covenant or other provision providing for limitations on interest expense and such a covenant is not contained in the 2013 Note Purchase Agreement under substantially similar terms or would be more beneficial to the holders of the 2013 Notes than any analogous provision contained in the 2013 Note Purchase Agreement (Additional Covenant), then unless waived by the Required Holders (as defined in the 2013 Note Purchase Agreement), the Additional Covenant will be deemed to be incorporated into the 2013 Note Purchase Agreement. The 2013 Note Purchase Agreement also provides for the amendment, modification or deletion of an Additional Covenant if such Additional Covenant is amended or modified under or deleted from the OTP Credit Agreement, provided that no default or event of default has occurred and is continuing.

### 2007 and 2011 Note Purchase Agreements

On December 1, 2011, OTP issued \$140 million aggregate principal amount of its 4.63% Senior Unsecured Notes due December 1, 2021 pursuant to a Note Purchase Agreement dated as of July 29, 2011 (the 2011 Note Purchase Agreement). OTP also has outstanding its \$122 million senior unsecured notes issued in three series consisting of \$30 million aggregate principal amount of 6.15% Senior Unsecured Notes, Series B, due 2022; \$42 million aggregate principal amount of 6.37% Senior Unsecured Notes, Series C, due 2027; and \$50 million aggregate principal amount of 6.47% Senior Unsecured Notes, Series D, due 2037 (collectively, the 2007 Notes). The 2007 Notes were issued pursuant to a Note Purchase Agreement dated as of August 20, 2007 (the 2007 Note Purchase Agreement).

The 2011 Note Purchase Agreement and the 2007 Note Purchase Agreement each states that OTP may prepay all or any part of the notes issued thereunder (in an amount not less than 10% of the aggregate principal amount of the notes then outstanding in the case of a partial prepayment) at 100% of the principal amount prepaid, together with accrued interest and a make-whole amount. The 2011 Note Purchase Agreement states in the event of a transfer of utility assets put event, the noteholders thereunder have the right to require OTP to repurchase the notes held by them in full, together with accrued interest and a make-whole amount, on the terms and conditions specified in the 2011 Note Purchase Agreement. The 2011 Note Purchase Agreement and the 2007 Note Purchase Agreement each also states that OTP must offer to prepay all the outstanding notes issued thereunder at 100% of the principal amount together with unpaid accrued interest in the event of a change of control of OTP. The note purchase agreements contain a number of restrictions on OTP, including restrictions on OTP's ability to merge, sell assets, create or incur liens on assets, guarantee the obligations of any other party, and engage in transactions with related parties. The note purchase agreements also include affirmative covenants and events of default, and certain financial covenants as described below under the heading "Financial Covenants."

### Shelf Registration

On May 3, 2018 the Company filed a shelf registration statement with the SEC under which the Company may offer for sale, from time to time, either separately or together in any combination, equity, debt or other securities described in the shelf registration statement, which expires on May 3, 2021.

The following tables provide a breakdown of the assignment of the Company's consolidated short-term and long-term debt outstanding as of December 31, 2019 and December 31, 2018:

| December 31, 2019 (in thousands)                                     | OTP               | Otter Tail Corporation | Otter Tail Corporation Consolidated |
|----------------------------------------------------------------------|-------------------|------------------------|-------------------------------------|
| <b>Short-Term Debt</b>                                               | \$ —              | \$ 6,000               | \$ 6,000                            |
| <b>Long-Term Debt:</b>                                               |                   |                        |                                     |
| 3.55% Guaranteed Senior Notes, due December 15, 2026                 |                   | \$ 80,000              | \$ 80,000                           |
| Senior Unsecured Notes 4.63%, Series 2011A due December 1, 2021      | \$ 140,000        |                        | 140,000                             |
| Senior Unsecured Notes 6.15%, Series 2007B, due August 20, 2022      | 30,000            |                        | 30,000                              |
| Senior Unsecured Notes 6.37%, Series 2007C, due August 20, 2027      | 42,000            |                        | 42,000                              |
| Senior Unsecured Notes 4.68%, Series 2013A, due February 27, 2029    | 60,000            |                        | 60,000                              |
| Senior Unsecured Notes 3.07%, Series 2019A, due October 10, 2029 (1) | 10,000            |                        | 10,000                              |
| Senior Unsecured Notes 6.47%, Series 2007D, due August 20, 2037      | 50,000            |                        | 50,000                              |
| Senior Unsecured Notes 3.52%, Series 2019B, due October 10, 2039     | 26,000            |                        | 26,000                              |
| Senior Unsecured Notes 5.47%, Series 2013B, due February 27, 2044    | 90,000            |                        | 90,000                              |
| Senior Unsecured Notes 4.07%, Series 2018A, due February 7, 2048     | 100,000           |                        | 100,000                             |
| Senior Unsecured Notes 3.82%, Series 2019C, due October 10, 2049     | 64,000            |                        | 64,000                              |
| PACE Note, 2.54%, due March 18, 2021                                 |                   | 351                    | 351                                 |
| <b>Total</b>                                                         | <b>\$ 612,000</b> | <b>\$ 80,351</b>       | <b>\$ 692,351</b>                   |
| Less: Current Maturities net of Unamortized Debt Issuance Costs      | —                 | 183                    | 183                                 |
| Unamortized Long-Term Debt Issuance Costs                            | 2,231             | 356                    | 2,587                               |
| <b>Total Long-Term Debt net of Unamortized Debt Issuance Costs</b>   | <b>\$ 609,769</b> | <b>\$ 79,812</b>       | <b>\$ 689,581</b>                   |
| <b>Total Short-Term and Long-Term Debt (with current maturities)</b> | <b>\$ 609,769</b> | <b>\$ 85,995</b>       | <b>\$ 695,764</b>                   |

(1) Holder is COBANK, a cooperative lender. Interest payments are subject to cash credits which may result in a lower effective interest rate.

| December 31, 2018 (in thousands)                                     | OTP               | Otter Tail Corporation | Otter Tail Corporation Consolidated |
|----------------------------------------------------------------------|-------------------|------------------------|-------------------------------------|
| <b>Short-Term Debt</b>                                               | \$ 9,384          | \$ 9,215               | \$ 18,599                           |
| <b>Long-Term Debt:</b>                                               |                   |                        |                                     |
| 3.55% Guaranteed Senior Notes, due December 15, 2026                 |                   | \$ 80,000              | \$ 80,000                           |
| Senior Unsecured Notes 4.63%, Series 2011A due December 1, 2021      | \$ 140,000        |                        | 140,000                             |
| Senior Unsecured Notes 6.15%, Series 2007B, due August 20, 2022      | 30,000            |                        | 30,000                              |
| Senior Unsecured Notes 6.37%, Series 2007C, due August 20, 2027      | 42,000            |                        | 42,000                              |
| Senior Unsecured Notes 4.68%, Series 2013A, due February 27, 2029    | 60,000            |                        | 60,000                              |
| Senior Unsecured Notes 6.47%, Series 2007D, due August 20, 2037      | 50,000            |                        | 50,000                              |
| Senior Unsecured Notes 5.47%, Series 2013B, due February 27, 2044    | 90,000            |                        | 90,000                              |
| Senior Unsecured Notes 4.07%, Series 2018A, due February 7, 2048     | 100,000           |                        | 100,000                             |
| PACE Note, 2.54%, due March 18, 2021                                 |                   | 523                    | 523                                 |
| <b>Total</b>                                                         | <b>\$ 512,000</b> | <b>\$ 80,523</b>       | <b>\$ 592,523</b>                   |
| Less: Current Maturities net of Unamortized Debt Issuance Costs      | —                 | 172                    | 172                                 |
| Unamortized Long-Term Debt Issuance Costs                            | 1,942             | 407                    | 2,349                               |
| <b>Total Long-Term Debt net of Unamortized Debt Issuance Costs</b>   | <b>\$ 510,058</b> | <b>\$ 79,944</b>       | <b>\$ 590,002</b>                   |
| <b>Total Short-Term and Long-Term Debt (with current maturities)</b> | <b>\$ 519,442</b> | <b>\$ 89,331</b>       | <b>\$ 608,773</b>                   |

The aggregate amounts of maturities on bonds outstanding and other long-term obligations at December 31, 2019 for each of the next five years are:

| (in thousands)                       | 2020   | 2021      | 2022     | 2023 | 2024 |
|--------------------------------------|--------|-----------|----------|------|------|
| Aggregate Amounts of Debt Maturities | \$ 183 | \$140,168 | \$30,000 | \$ — | \$ — |

## Financial Covenants

The Company and OTP were in compliance with the financial covenants in these debt agreements as of December 31, 2019.

No Credit or Note Purchase Agreement contains any provisions that would trigger an acceleration of the related debt as a result of changes in the credit rating levels assigned to the related obligor by rating agencies.

The Company's and OTP's borrowing agreements are subject to certain financial covenants. Specifically:

- ▶ Under the OTC Credit Agreement and the 2016 Note Purchase Agreement, the Company may not permit the ratio of its Interest-bearing Debt to Total Capitalization to be greater than 0.60 to 1.00 or permit its Interest and Dividend Coverage Ratio to be less than 1.50 to 1.00 (each measured on a consolidated basis).
- ▶ Under the 2016 Note Purchase Agreement, the Company may not permit its Priority Indebtedness to exceed 10% of its Total Capitalization.
- ▶ Under the OTP Credit Agreement, OTP may not permit the ratio of its Interest-bearing Debt to Total Capitalization to be greater than 0.60 to 1.00.
- ▶ Under the 2007 Note Purchase Agreement and 2011 Note Purchase Agreement, OTP may not permit the ratio of its Consolidated Debt to Total Capitalization to be greater than 0.60 to 1.00 or permit its Interest and Dividend Coverage Ratio to be less than 1.50 to 1.00, in each case as provided in the related borrowing agreement, and OTP may not permit its Priority Debt to exceed 20% of its Total Capitalization, as provided in the related agreement.
- ▶ Under the 2013 Note Purchase Agreement, the 2018 Note Purchase Agreement and the 2019 Note Purchase Agreement, OTP may not permit its Interest-bearing Debt to exceed 60% of Total Capitalization and may not permit its Priority Indebtedness to exceed 20% of its Total Capitalization, in each case as provided in the related agreement.

## 11. Pension Plan and Other Postretirement Benefits

### Pension Plan

The Company's noncontributory funded pension plan covers substantially all corporate employees and OTP nonunion employees hired prior to September 1, 2006, and all union employees of OTP hired prior to November 1, 2013, excluding Coyote Station employees. Coyote Station employees hired before January 1, 2009 are covered under the plan. The plan provides 100% vesting after five vesting years of service and for retirement compensation at age 65, with reduced compensation in cases of retirement prior to age 62. The Company reserves the right to discontinue the plan, but no change or discontinuance may affect the pensions theretofore vested.

The pension plan has a trustee who is responsible for pension payments to retirees and a separate pension fund manager responsible for managing the plan's assets. An independent actuary assists the Company in performing the necessary actuarial valuations for the plan.

The plan assets consist of common stock and bonds of public companies, U.S. government securities, cash and cash equivalents and alternative investments. None of the plan assets are invested in common stock or debt securities of the Company.

The following table lists components of net periodic pension benefit cost for the year ended December 31:

| <i>(in thousands)</i>                         | 2019     | 2018     | 2017     |
|-----------------------------------------------|----------|----------|----------|
| Service Cost—                                 |          |          |          |
| Benefit Earned During the Period              | \$ 5,491 | \$ 6,459 | \$ 5,629 |
| Interest Cost on Projected Benefit Obligation | 14,412   | 13,452   | 14,139   |
| Expected Return on Assets                     | (21,297) | (21,199) | (19,229) |
| Amortization of Prior Service Cost:           |          |          |          |
| From Regulatory Asset                         | 5        | 16       | 120      |
| From Other Comprehensive Income (1)           | 9        | —        | 3        |
| Amortization of Net Actuarial Loss:           |          |          |          |
| From Regulatory Asset                         | 4,642    | 7,135    | 5,090    |
| From Other Comprehensive Income (1)           | 114      | 183      | 125      |
| Net Periodic Pension Cost (2)                 | \$ 3,376 | \$ 6,046 | \$ 5,877 |

(1) Corporate cost included in nonservice cost components of postretirement benefits.

| <i>(2) Allocation of costs:</i>                                                    | 2019     | 2018     | 2017     |
|------------------------------------------------------------------------------------|----------|----------|----------|
| Service costs included in OTP capital expenditures                                 | \$ 1,365 | \$ 1,542 | \$ 1,094 |
| Service costs included in electric operation and maintenance expenses              | 3,994    | 4,756    | 4,400    |
| Service costs included in other nonelectric expenses                               | 132      | 161      | 135      |
| Nonservice costs capitalized                                                       | (526)    | (99)     | 48       |
| Nonservice costs included in nonservice cost components of postretirement benefits | (1,589)  | (314)    | 200      |

Weighted average assumptions used to determine net periodic pension cost for the year ended December 31:

|                                               | 2019      | 2018      | 2017  |
|-----------------------------------------------|-----------|-----------|-------|
| Discount Rate                                 | 4.50%     | 3.90%     | 4.60% |
| Long-Term Rate of Return on Plan Assets       | 7.25%     | 7.50%     | 7.50% |
| Rate of Increase in Future Compensation Level | See below | See below | 3.00% |
| Participants to Age 39                        | 4.50%     | 4.50%     |       |
| Participants Age 40 to Age 49                 | 3.50%     | 3.50%     |       |
| Participants Age 50 and Older                 | 2.75%     | 2.75%     |       |

The following table presents amounts recognized in the consolidated balance sheets as of December 31:

| <i>(in thousands)</i>                      | 2019       | 2018       |
|--------------------------------------------|------------|------------|
| Regulatory Assets:                         |            |            |
| Unrecognized Prior Service Cost            | \$ —       | \$ 5       |
| Unrecognized Actuarial Loss                | 120,592    | 104,891    |
| Total Regulatory Assets                    | \$ 120,592 | \$ 104,896 |
| Accumulated Other Comprehensive Loss:      |            |            |
| Unrecognized Prior Service Cost            | \$ —       | \$ 9       |
| Unrecognized Actuarial (Gain) Loss         | (82)       | 137        |
| Total Accumulated Other Comprehensive Loss | \$ (82)    | \$ 146     |
| Noncurrent Liability                       | \$ 55,004  | \$ 58,659  |

Funded status as of December 31:

| <i>(in thousands)</i>          | 2019         | 2018         |
|--------------------------------|--------------|--------------|
| Accumulated Benefit Obligation | \$ (346,723) | \$ (297,972) |
| Projected Benefit Obligation   | \$ (384,785) | \$ (328,442) |
| Fair Value of Plan Assets      | 329,781      | 269,783      |
| Funded Status                  | \$ (55,004)  | \$ (58,659)  |

The following tables provide a reconciliation of the changes in the fair value of plan assets and the plan's benefit obligations over the two-year period ended December 31, 2019:

| <i>(in thousands)</i>                           | 2019       | 2018       |
|-------------------------------------------------|------------|------------|
| Reconciliation of Fair Value of Plan Assets:    |            |            |
| Fair Value of Plan Assets at January 1          | \$ 269,783 | \$ 285,319 |
| Actual Return on Plan Assets                    | 52,640     | (21,334)   |
| Discretionary Company Contributions             | 22,500     | 20,000     |
| Benefit Payments                                | (15,142)   | (14,202)   |
| Fair Value of Plan Assets at December 31        | \$ 329,781 | \$ 269,783 |
| Estimated Asset Return                          | 19.3%      | (7.3%)     |
| Reconciliation of Projected Benefit Obligation: |            |            |
| Projected Benefit Obligation at January 1       | \$ 328,442 | \$ 352,718 |
| Service Cost                                    | 5,491      | 6,459      |
| Interest Cost                                   | 14,412     | 13,452     |
| Benefit Payments                                | (15,142)   | (14,202)   |
| Actuarial Loss (Gain)                           | 51,582     | (29,985)   |
| Projected Benefit Obligation at December 31     | \$ 384,785 | \$ 328,442 |

Weighted average assumptions used to determine benefit obligations at December 31:

|                                                | 2019  | 2018  |
|------------------------------------------------|-------|-------|
| Discount Rate                                  | 3.47% | 4.50% |
| Rate of Increase in Future Compensation Level: |       |       |
| Participants to Age 39                         | 4.50% | 4.50% |
| Participants Age 40 to Age 49                  | 3.50% | 3.50% |
| Participants Age 50 and Older                  | 2.75% | 2.75% |

The assumed rate of return on pension fund assets used for the determination of 2020 net periodic pension cost is 6.88%. The assumed long-term rate of return on plan assets is based primarily on asset category studies using historical market return and volatility data with forward looking estimates based on existing financial market conditions and forecasts of capital markets. Modest excess return expectations versus some market indices are incorporated into the return projections based on the actively managed structure of the investment programs and their records of achieving such returns historically. The Company reviews its rate of return on plan asset assumptions annually. The assumptions are largely based on the asset category rate-of-return assumptions developed annually with the Company's pension plan investment advisors, as well as input from actuaries who work with the pension plan and benchmarking to peer companies with similar asset allocation strategies.

**Market-related value of plan assets**—The Company's expected return on plan assets is determined based on the expected long-term rate of return on plan assets and the market-related value of plan assets.

The Company bases actuarial determination of pension plan expense or income on a market-related valuation of assets, which reduces year-to-year volatility. This market-related valuation calculation recognizes investment gains or losses over a five-year period from the year in which they occur. Investment gains or losses for this purpose are the difference between the expected return calculated using the market-related value of assets and the actual return based on the fair value of assets. Since the market-related valuation calculation recognizes gains or losses over a five-year period, the future value of the market-related assets will be impacted as previously deferred gains or losses are recognized.

| Measurement Dates:              | 2019                                                 | 2018                                                 |
|---------------------------------|------------------------------------------------------|------------------------------------------------------|
| Net Periodic Pension Cost       | January 1, 2019                                      | January 1, 2018                                      |
| End of Year Benefit Obligations | January 1, 2019<br>projected to<br>December 31, 2019 | January 1, 2018<br>projected to<br>December 31, 2018 |
| Market Value of Assets          | December 31, 2019                                    | December 31, 2018                                    |

**Cash flows**—The Company had no minimum funding requirement as of December 31, 2019 but made discretionary plan contributions of \$11.2 million in January 2020.

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid out from plan assets:

| <i>(in thousands)</i> | Years    |          |          |          |          |           |
|-----------------------|----------|----------|----------|----------|----------|-----------|
|                       | 2020     | 2021     | 2022     | 2023     | 2024     | 2025-2029 |
|                       | \$15,908 | \$16,477 | \$17,116 | \$17,768 | \$18,374 | \$98,994  |

The following objectives guide the investment strategy of the Company's pension plan (the Plan):

- ▶ The assets of the Plan will be invested in accordance with all applicable laws in a manner consistent with fiduciary standards including Employee Retirement Income Security Act standards (if applicable). Specifically:
  - The safeguards and diversity that a prudent investor would adhere to must be present in the investment program.
  - All transactions undertaken on behalf of the Plan must be in the best interest of plan participants and their beneficiaries.
- ▶ The primary objective of the Plan is to provide a source of retirement income for its participants and beneficiaries.
- ▶ The near-term primary financial objective of the Plan is to improve the funded status of the Plan.
- ▶ A secondary financial objective is to minimize pension funding and expense volatility where possible.

The asset allocation strategy developed by the Company's Retirement Plans Administration Committee (the Committee) is based on the current needs of the Plan and the objectives listed above. An asset/liability review is conducted annually or as often as necessary to assess the impact of various asset allocations on funded status and other financial variables. The current needs of the Plan, the overall investment objectives above, the investment preferences and risk tolerance of the Committee and the desired degree of diversification suggest the need for an investment allocation including multiple asset classes.

The asset allocation in the table below contains guideline percentages, at market value, of the total Plan invested in various asset classes. The Permitted Range is a guide and will at times not reflect the actual asset allocation as this will be dictated by market conditions, the independent actions of the Committee and/or Investment Managers and required cash flows to and from the Plan. The Permitted Range anticipates this fluctuation and provides flexibility for the Investment Managers' portfolios to vary around the target without the need for immediate rebalancing. The Investment Manager will proactively monitor the asset allocation and will direct the purchases and sales to remain within the stated ranges.



The policy of the Plan is to invest assets in accordance with the allocations shown below:

| Asset Class /<br>PBO Funded<br>Status         | Permitted Range |           |           |           |            |
|-----------------------------------------------|-----------------|-----------|-----------|-----------|------------|
|                                               | < 85% PBO       | >=85% PBO | >=90% PBO | >=95% PBO | >=100% PBO |
| Equity                                        | 39%–59%         | 34%–54%   | 24%–44%   | 14%–34%   | 0%–20%     |
| Investment<br>Grade Fixed<br>Income           | 22%–42%         | 30%–50%   | 40%–60%   | 53%–73%   | 70%–100%   |
| Below<br>Investment<br>Grade Fixed<br>Income* | 0%–15%          | 0%–15%    | 0%–15%    | 0%–10%    | 0%–10%     |
| Other**                                       | 5%–20%          | 5%–20%    | 5%–20%    | 0%–15%    | 0%–15%     |

\* Includes (but not limited to) High Yield Bond Fund and Emerging Markets Debt funds.

\*\* Other category may include cash, alternatives, and/or other investment strategies that may be classified other than equity or fixed income, such as the Dynamic Asset Allocation fund or the SEI Energy Debt Collective Fund.

The Company's pension plan asset allocations at December 31, 2019 and 2018, by asset category are as follows:

| Asset Allocation                                          | 2019   | 2018   |
|-----------------------------------------------------------|--------|--------|
| Global MGD Volatility Fund ( <i>mixed equities fund</i> ) | 20.4%  | —      |
| Large Capitalization Equity Securities                    | 11.3%  | 17.5%  |
| International Equity Securities                           | 9.3%   | 17.0%  |
| Emerging Markets Equity Fund                              | 4.2%   | 3.4%   |
| Small and Mid-Capitalization Equity Securities            | 4.1%   | 6.7%   |
| SEI Dynamic Asset Allocation Fund                         | 3.1%   | 4.0%   |
| Equity Securities                                         | 52.4%  | 48.6%  |
| Fixed-Income Securities and Cash                          | 44.7%  | 47.1%  |
| Other—SEI Energy Debt Collective Fund                     | 2.9%   | 4.3%   |
|                                                           | 100.0% | 100.0% |

The following table presents the Company's pension fund assets measured at fair value and included in Level 1 of the fair value hierarchy and assets measured using the NAV practical expedient to fair valuation as of December 31:

| (in thousands)                                | 2019       | 2018       |
|-----------------------------------------------|------------|------------|
| Assets in Level 1 of the Fair Value Hierarchy | \$ 320,241 | \$ 258,307 |
| SEI Energy Debt Collective Fund at NAV        | 9,540      | 11,476     |
| Total Assets                                  | \$ 329,781 | \$ 269,783 |

#### Fair Value Measurements of Pension Fund Assets

ASC 715, *Compensation—Retirement Benefits*, requires disclosures about pension plan assets identified by the three levels of the fair value hierarchy established by ASC 820-10-35.

The following table presents the Company's pension fund assets measured at fair value and included in Level 1 of the fair value hierarchy as of December 31:

| (in thousands)                                                | 2019       | 2018       |
|---------------------------------------------------------------|------------|------------|
| Global MGD Volatility Fund ( <i>mixed equities fund</i> )     | \$ 67,184  | \$ —       |
| Large Capitalization Equity Securities Mutual Fund            | 37,357     | 47,198     |
| International Equity Securities Mutual Funds                  | 30,653     | 45,912     |
| Small and Mid-Capitalization Equity Securities<br>Mutual Fund | 13,447     | 17,971     |
| SEI Dynamic Asset Allocation Mutual Fund                      | 10,168     | 10,929     |
| Emerging Markets Equity Fund                                  | 13,792     | 9,197      |
| Fixed Income Securities Mutual Funds                          | 147,639    | 127,098    |
| Cash Management—Money Market Fund                             | 1          | 2          |
| Total Assets                                                  | \$ 320,241 | \$ 258,307 |

The investments held by the SEI Energy Debt Collective Fund on December 31, 2019 and 2018 consist mainly of below investment grade high yielding bonds and loans of U.S. energy companies which trade at a discount to fair value. Redemptions are allowed semi-annually with a 95-day notice period, subject to fund director consent and certain gate, holdback and suspension restrictions. Subscriptions are allowed monthly with a three-year lock up on subscriptions. The Company invested \$10.0 million in the SEI Energy Debt Fund in July 2015. The fund's assets are valued in accordance with valuations reported by the fund's sub-advisor or the fund's underlying investments or other independent third-party sources, although SEI in its discretion may use other valuation methods, subject to compliance with ERISA (as applicable). The fund's assets are valued as of the close of business on the last business day of each calendar month and are available 30 days after the end of a calendar quarter. On an annual basis, as determined by the investment manager in its sole discretion, an independent valuation agent is retained to provide a valuation of the illiquid assets of the fund and of any other asset of the fund, as determined by the investment manager in its sole discretion. The Company reviews and verifies the reasonableness of the year-end valuations.

#### Executive Survivor and Supplemental Retirement Plan (ESSRP)

The ESSRP is an unfunded nonqualified benefit plan for executive officers and certain key management employees that provides for defined benefit payments to these employees on their retirement for life or to their beneficiaries on their death. In addition, the ESSRP provides for survivor benefit payments to beneficiaries of executive officers. On December 26, 2019, the Company's Board of Directors amended and restated the ESSRP to provide for (i) the freezing of participation in the restoration retirement benefit component of the ESSRP and (ii) the freezing of benefit accruals under the restoration retirement benefit component of the ESSRP for all participants, except those designated as a grandfathered participant, effective December 31, 2019.

In connection with amending and restating the ESSRP, the Board of Directors also approved the making of special employer contributions to named participants in the Otter Tail Corporation Executive Restoration Plus Plan (the ERPP) who will be affected by the ESSRP freeze in order to offset the impact of the freeze for those participants.

The following table lists components of net periodic pension benefit cost for the year ended December 31:

| (in thousands)                      | 2019     | 2018     | 2017     |
|-------------------------------------|----------|----------|----------|
| Service Cost—                       |          |          |          |
| Benefit Earned During the Period    | \$ 418   | \$ 408   | \$ 290   |
| Interest Cost on Projected          |          |          |          |
| Benefit Obligation                  | 1,735    | 1,589    | 1,686    |
| Amortization of Prior Service Cost: |          |          |          |
| From Regulatory Asset               | 5        | 20       | 16       |
| From Other Comprehensive Income (1) | 17       | 34       | 38       |
| Amortization of Net Actuarial Loss: |          |          |          |
| From Regulatory Asset               | 124      | 206      | 285      |
| From Other Comprehensive Income (1) | 348      | 722      | 440      |
| Net Periodic Pension Cost (2)       | \$ 2,647 | \$ 2,979 | \$ 2,755 |

(1) Amortization of prior service costs and net actuarial losses from other comprehensive income are included in nonservice cost components of postretirement benefits on the face of the Company's consolidated statements of income.

| (2) Allocation of costs:                                                              | 2019   | 2018  | 2017  |
|---------------------------------------------------------------------------------------|--------|-------|-------|
| Service costs included in electric<br>operation and maintenance expenses              | \$ 104 | \$ 99 | \$ 94 |
| Service costs included in other<br>nonelectric expenses                               | 314    | 309   | 196   |
| Nonservice costs included in nonservice cost<br>components of postretirement benefits | 2,229  | 2,571 | 2,465 |

Weighted average assumptions used to determine net periodic pension cost for the year ended December 31:

|                                               | 2019  | 2018  | 2017  |
|-----------------------------------------------|-------|-------|-------|
| Discount Rate                                 | 4.46% | 3.85% | 4.60% |
| Rate of Increase in Future Compensation Level | 3.40% | 2.92% | 3.00% |

The following table presents amounts recognized in the consolidated balance sheets as of December 31:

| (in thousands)                             | 2019        | 2018        |
|--------------------------------------------|-------------|-------------|
| Regulatory Assets:                         |             |             |
| Unrecognized Prior Service Cost            | \$ —        | \$ 20       |
| Unrecognized Actuarial Loss                | 2,170       | 1,768       |
| Total Regulatory Assets                    | \$ 2,170    | \$ 1,788    |
| Projected Benefit Obligation Liability—    |             |             |
| Net Amount Recognized                      | \$ (43,966) | \$ (39,699) |
| Accumulated Other Comprehensive Loss:      |             |             |
| Unrecognized Prior Service Cost            | \$ 1        | \$ 64       |
| Unrecognized Actuarial Loss                | 9,170       | 6,455       |
| Total Accumulated Other Comprehensive Loss | \$ 9,171    | \$ 6,519    |

The following tables provide a reconciliation of the changes in the fair value of plan assets and the plan's projected benefit obligations over the two-year period ended December 31, 2019 and a statement of the funded status as of December 31 of both years:

| (in thousands)                                  | 2019      | 2018      |
|-------------------------------------------------|-----------|-----------|
| Reconciliation of Fair Value of Plan Assets:    |           |           |
| Fair Value of Plan Assets at January 1          | \$ —      | \$ —      |
| Actual Return on Plan Assets                    | —         | —         |
| Employer Contributions                          | 1,475     | 1,505     |
| Benefit Payments                                | (1,475)   | (1,505)   |
| Fair Value of Plan Assets at December 31        | \$ —      | \$ —      |
| Reconciliation of Projected Benefit Obligation: |           |           |
| Projected Benefit Obligation at January 1       | \$ 39,699 | \$ 42,308 |
| Service Cost                                    | 418       | 408       |
| Interest Cost                                   | 1,735     | 1,589     |
| Benefit Payments                                | (1,475)   | (1,505)   |
| Curtailments                                    | (1,671)   | —         |
| Actuarial Loss (Gain)                           | 5,260     | (3,101)   |
| Projected Benefit Obligation at December 31     | \$ 43,966 | \$ 39,699 |

Weighted average assumptions used to determine benefit obligations at December 31:

|                                                | 2019  | 2018  |
|------------------------------------------------|-------|-------|
| Discount Rate                                  | 3.36% | 4.46% |
| Rate of Increase in Future Compensation Level: | 3.50% | 3.40% |

**Cash flows**—The ESSRP is unfunded and has no assets; contributions are equal to the benefits paid to plan participants. The following benefit payments, which reflect future service, as appropriate, are expected to be paid:

| (in thousands) | Years   |         |         |         |         |           |
|----------------|---------|---------|---------|---------|---------|-----------|
|                | 2020    | 2021    | 2022    | 2023    | 2024    | 2025-2029 |
|                | \$1,571 | \$1,681 | \$2,279 | \$2,680 | \$2,627 | \$13,976  |

## Other Postretirement Benefits

The Company provides a portion of health insurance benefits for retired OTP and corporate employees. The retiree health insurance benefits will be available for all corporate employees and OTP nonunion employees hired prior to September 1, 2006, and all union employees of OTP hired prior to November 1, 2010, excluding Coyote Station employees. Coyote Station employees hired before January 1, 2009 are covered under the plan. To be eligible for retiree health insurance benefits the employee must be 55 years of age with a minimum of 10 years of service. There are no plan assets.

In 2019, the Company elected to obtain post-65 prescription drug subsidies for its non-union plan participants from a provider under the provider's employer group waiver plan. As a result, the Company will no longer apply for prescription drug subsidies for these participants. Based on the provider's projected costs, the post-65 starting claim cost assumption for non-union retirees was lowered by 27% and the Medicare Part D reimbursement assumption was eliminated for these participants. A portion of the cost savings were shared with retirees through lower 2020 premiums. The net effect of these plan amendments reduced the Company's projected benefit obligation for this plan by \$20.9 million in 2019. Beginning in 2020, the net savings from the changes will be recognized as a reduction to expense over 4.3 years, the expected remaining service period to retirement-age eligibility for active participants.

The following table lists components of net periodic postretirement benefit cost for the year ended December 31:

| (in thousands)                                | 2019     | 2018     | 2017     |
|-----------------------------------------------|----------|----------|----------|
| Service Cost—Benefit Earned                   |          |          |          |
| During the Period                             | \$ 1,286 | \$ 1,526 | \$ 1,425 |
| Interest Cost on Projected Benefit Obligation | 3,083    | 2,583    | 2,712    |
| Amortization of Prior Service Cost            |          |          |          |
| From Regulatory Asset                         | —        | —        | (4)      |
| From Other Comprehensive Income (1)           | —        | —        | 4        |
| Amortization of Net Actuarial Loss            |          |          |          |
| From Regulatory Asset                         | 1,571    | 1,648    | 936      |
| From Other Comprehensive Income (1)           | 38       | 42       | 19       |
| Net Periodic Postretirement                   |          |          |          |
| Benefit Cost (2)                              | \$ 5,978 | \$ 5,799 | \$ 5,092 |
| Effect of Medicare Part D Subsidy             | \$ (179) | \$ (470) | \$ (561) |

(1) Corporate cost included in nonservice cost components of postretirement benefits.

|                                                                                    |        |        |        |
|------------------------------------------------------------------------------------|--------|--------|--------|
| (2) Allocation of cost:                                                            | 2019   | 2018   | 2017   |
| Service costs included in OTP capital expenditures                                 | \$ 320 | \$ 364 | \$ 277 |
| Service costs included in electric operation and maintenance expenses              | 935    | 1,124  | 1,114  |
| Service costs included in other nonelectric expenses                               | 31     | 38     | 34     |
| Nonservice costs capitalized                                                       | 1,167  | 1,020  | 712    |
| Nonservice costs included in nonservice cost components of postretirement benefits | 3,525  | 3,253  | 2,955  |

Weighted average assumptions used to determine net periodic postretirement benefit cost for the year ended December 31:

|               | 2019  | 2018  | 2017  |
|---------------|-------|-------|-------|
| Discount Rate | 4.44% | 3.81% | 4.46% |

The following table presents amounts recognized in the consolidated balance sheets as of December 31:

| (in thousands)                                 | 2019        | 2018        |
|------------------------------------------------|-------------|-------------|
| Regulatory Asset:                              |             |             |
| Unrecognized Prior Service Credit              | \$ (20,363) | \$ —        |
| Unrecognized Net Actuarial Loss (Gain)         | 35,322      | 18,094      |
| Net Regulatory Asset                           | \$ 14,959   | \$ 18,094   |
| Projected Benefit Obligation Liability—        |             |             |
| Net Amount Recognized                          | \$ (71,437) | \$ (71,561) |
| Accumulated Other Comprehensive (Income) Loss: |             |             |
| Unrecognized Prior Service Credit              | \$ (501)    | \$ —        |
| Unrecognized Net Actuarial Loss (Gain)         | 184         | (107)       |
| Accumulated Other Comprehensive (Income) Loss: | \$ (317)    | \$ (107)    |

The following tables provide a reconciliation of the changes in the fair value of plan assets and the plan's projected benefit obligations and accrued postretirement benefit cost over the two-year period ended December 31, 2019:

| (in thousands)                                    | 2019        | 2018        |
|---------------------------------------------------|-------------|-------------|
| Reconciliation of Fair Value of Plan Assets:      |             |             |
| Fair Value of Plan Assets at January 1            | \$ —        | \$ —        |
| Actual Return on Plan Assets                      | —           | —           |
| Company Contributions                             | 2,757       | 3,183       |
| Benefit Payments (Net of Medicare Part D Subsidy) | (7,164)     | (6,684)     |
| Participant Premium Payments                      | 4,407       | 3,501       |
| Fair Value of Plan Assets at December 31          | \$ —        | \$ —        |
| Reconciliation of Projected Benefit Obligation:   |             |             |
| Projected Benefit Obligation at January 1         | \$ 71,561   | \$ 69,774   |
| Service Cost (Net of Medicare Part D Subsidy)     | 1,286       | 1,526       |
| Interest Cost (Net of Medicare Part D Subsidy)    | 3,083       | 2,583       |
| Benefit Payments (Net of Medicare Part D Subsidy) | (7,164)     | (6,684)     |
| Participant Premium Payments                      | 4,407       | 3,501       |
| Plan Amendments                                   | (20,864)    | —           |
| Actuarial Loss                                    | 19,128      | 861         |
| Projected Benefit Obligation at December 31       | \$ 71,437   | \$ 71,561   |
| Reconciliation of Accrued Postretirement Cost:    |             |             |
| Accrued Postretirement Cost at January 1          | \$ (53,574) | \$ (50,958) |
| Expense                                           | (5,978)     | (5,799)     |
| Net Company Contribution                          | 2,757       | 3,183       |
| Accrued Postretirement Cost at December 31        | \$ (56,795) | \$ (53,574) |

Weighted average assumptions used to determine benefit obligations at December 31:

|               | 2019  | 2018  |
|---------------|-------|-------|
| Discount Rate | 3.43% | 4.44% |

Assumed healthcare cost-trend rates as of December 31:

|                                                                                                       | 2019          | 2018          |
|-------------------------------------------------------------------------------------------------------|---------------|---------------|
| Healthcare Cost-Trend Rate Assumed for Next Year                                                      | 6.72%         | 7.00%         |
| Rate to Which the Cost-Trend Rate is Assumed to Decline Year the Rate Reaches the Ultimate Trend Rate | 4.50%<br>2038 | 4.50%<br>2038 |

| Measurement Dates:                       | 2019                                                 | 2018                                                 |
|------------------------------------------|------------------------------------------------------|------------------------------------------------------|
| Net Periodic Postretirement Benefit Cost | January 1, 2019                                      | January 1, 2018                                      |
| End of Year Benefit Obligations          | January 1, 2019<br>projected to<br>December 31, 2019 | January 1, 2018<br>projected to<br>December 31, 2018 |

**Cash flows**—The Company expects to contribute \$3.3 million net of expected employee contributions for the payment of retiree medical benefits and Medicare Part D subsidy receipts in 2020. The Company expects to receive a Medicare Part D subsidy from the Federal government of approximately \$0.1 million in 2020. The following benefit payments, which reflect expected future service, as appropriate, net of expected Medicare Part D subsidy receipts and participant premium payments, are expected to be paid:

| (in thousands) | Years   |         |         |         |         |           |
|----------------|---------|---------|---------|---------|---------|-----------|
|                | 2020    | 2021    | 2022    | 2023    | 2024    | 2025-2029 |
|                | \$3,323 | \$3,470 | \$3,653 | \$3,720 | \$3,778 | \$19,852  |

#### 401K Plan

The Company sponsors a 401K plan for the benefit of all corporate and subsidiary company employees. Contributions made to these plans by the Company and its subsidiary companies totaled \$5,265,000 for 2019, \$4,532,000 for 2018 and \$4,211,000 for 2017.

#### Employee Stock Ownership Plan

The Company has a stock ownership plan for the benefit of all its electric utility employees. Contributions made by the Company were \$374,000 for 2019, \$398,000 for 2018 and \$612,000 for 2017.

## 12. Fair Value of Financial Instruments

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

**Cash Equivalents**—The carrying amount approximates fair value because of the short-term maturity of those instruments.

**Short-Term Debt**—The carrying amount approximates fair value because the debt obligations are short-term and the balances outstanding as of December 31, 2019 and December 31, 2018 related to the Otter Tail Corporation Credit Agreement and the OTP Credit Agreement were subject to variable interest rates of LIBOR plus 1.50% and LIBOR plus 1.25%, respectively, which approximate market rates.

**Long-Term Debt including Current Maturities**—The fair value of the Company's and OTP's long-term debt is estimated based on the current market indications of rates available to the Company for the issuance of debt. The fair value measurements of the Company's long-term debt issues fall into level 2 of the fair value hierarchy set forth in ASC 820.

|                                             | December 31, 2019 |            | December 31, 2018 |            |
|---------------------------------------------|-------------------|------------|-------------------|------------|
| (in thousands)                              | Carrying Amount   | Fair Value | Carrying Amount   | Fair Value |
| Cash and Cash Equivalents                   | \$ 21,199         | \$ 21,199  | \$ 861            | \$ 861     |
| Short-Term Debt                             | (6,000)           | (6,000)    | (18,599)          | (18,599)   |
| Long-Term Debt including Current Maturities | (689,764)         | (742,279)  | (590,174)         | (601,513)  |

## 13. Property, Plant and Equipment

| (in thousands)                                 | December 31, 2019   | December 31, 2018   |
|------------------------------------------------|---------------------|---------------------|
| <b>Electric Plant in Service</b>               |                     |                     |
| Production                                     | \$ 915,996          | \$ 905,224          |
| Transmission                                   | 647,474             | 512,832             |
| Distribution                                   | 526,146             | 502,261             |
| General                                        | 123,268             | 99,404              |
| Electric Plant in Service                      | 2,212,884           | 2,019,721           |
| Construction Work in Progress                  | 177,584             | 170,090             |
| Total Gross Electric Plant                     | 2,390,468           | 2,189,811           |
| Less Accumulated Depreciation and Amortization | 731,110             | 699,642             |
| Net Electric Plant                             | \$ 1,659,358        | \$ 1,490,169        |
| <b>Nonelectric Operations Plant</b>            |                     |                     |
| Equipment                                      | \$ 187,904          | \$ 170,634          |
| Buildings and Leasehold Improvements           | 53,412              | 53,011              |
| Land                                           | 6,040               | 4,475               |
| Nonelectric Operations Plant                   | 247,356             | 228,120             |
| Construction Work in Progress                  | 7,654               | 11,536              |
| Total Gross Nonelectric Plant                  | 255,010             | 239,656             |
| Less Accumulated Depreciation and Amortization | 160,574             | 148,727             |
| Net Nonelectric Operations Plant               | \$ 94,436           | \$ 90,929           |
| <b>Net Plant</b>                               | <b>\$ 1,753,794</b> | <b>\$ 1,581,098</b> |

The estimated service lives for rate-regulated properties is 5 to 82 years. For nonelectric property the estimated useful lives are from 2 to 40 years.

| Service Life Range (years)           | Low | High |
|--------------------------------------|-----|------|
| <b>Electric Fixed Assets:</b>        |     |      |
| Production Plant                     | 9   | 82   |
| Transmission Plant                   | 51  | 75   |
| Distribution Plant                   | 15  | 70   |
| General Plant                        | 5   | 57   |
| <b>Nonelectric Fixed Assets:</b>     |     |      |
| Equipment                            | 2   | 12   |
| Buildings and Leasehold Improvements | 5   | 40   |

## 14. Income Taxes

The total income tax expense differs from the amount computed by applying the federal income tax rate (21% in 2019 and 2018, and 35% in 2017) to net income before total income tax expense for the following reasons:

| (in thousands)                                                            | 2019       | 2018      | 2017      |
|---------------------------------------------------------------------------|------------|-----------|-----------|
| Tax Computed at Federal Statutory Rate                                    | \$ 21,901  | \$ 20,356 | \$ 34,893 |
| Increases (Decreases) in Tax from:                                        |            |           |           |
| State Income Taxes Net of Federal Income Tax Expense                      | 3,561      | 5,210     | 4,368     |
| Differences Reversing in Excess of Federal Rates                          | (3,357)    | (3,432)   | 551       |
| Permanent Differences, R&D Tax Credits, Unitary Tax and Other Adjustments | (1,315)    | (1,864)   | (1,873)   |
| North Dakota Wind Tax Credit Amortization—Net of Federal Taxes            | (1,033)    | (1,033)   | (850)     |
| Corporate-owned Life Insurance                                            | (749)      | (3)       | (845)     |
| Excess Tax deduction—Equity Method Stock Awards                           | (744)      | (708)     | (751)     |
| Allowance for Funds Used During Construction—Equity                       | (501)      | (431)     | (322)     |
| Employee Stock Ownership Plan Dividend Deduction                          | (281)      | (298)     | (509)     |
| Investment Tax Credit Amortization                                        | (41)       | (98)      | (164)     |
| Federal Production Tax Credits (PTCs)                                     | —          | (3,111)   | (7,527)   |
| Section 199 Domestic Production Activities Deduction                      | —          | —         | (1,471)   |
| Effect of TCJA Tax Rate Reduction on Value of Net Deferred Tax Assets     | —          | —         | 1,756     |
| Income Tax Expense                                                        | \$ 17,441  | \$ 14,588 | \$ 27,256 |
| Overall Effective Federal and State Income Tax Rate                       | 16.7%      | 15.0%     | 27.3%     |
| Income Tax Expense Includes the Following:                                |            |           |           |
| Current Federal Income Taxes                                              | \$ 5,156   | \$ 4,960  | \$ 4,434  |
| Current State Income Taxes                                                | 1,333      | 1,395     | 1,128     |
| Deferred Federal Income Taxes                                             | 8,859      | 8,065     | 25,648    |
| Deferred State Income Taxes                                               | 3,167      | 4,410     | 4,587     |
| Federal PTCs                                                              | —          | (3,111)   | (7,527)   |
| North Dakota Wind Tax Credit Amortization—Net of Federal Taxes            | (1,033)    | (1,033)   | (850)     |
| Investment Tax Credit Amortization                                        | (41)       | (98)      | (164)     |
| Total                                                                     | \$ 17,441  | \$ 14,588 | \$ 27,256 |
| Total Income Before Income Taxes                                          | \$ 104,288 | \$ 96,933 | \$ 99,695 |

The Company's deferred tax assets and liabilities were composed of the following on December 31:

| (in thousands)                                        | 2019         | 2018         |
|-------------------------------------------------------|--------------|--------------|
| Deferred Tax Assets                                   |              |              |
| Benefit Liabilities                                   | \$ 36,246    | \$ 33,967    |
| Retirement Benefits Liabilities                       | 36,206       | 32,664       |
| Regulatory Tax Liability                              | 35,700       | 33,228       |
| North Dakota Wind Tax Credits                         | 31,611       | 32,570       |
| Cost of Removal                                       | 25,604       | 21,787       |
| Federal PTCs                                          | 20,017       | 32,101       |
| Differences Related to Property Lease Liability       | 6,979        | 6,842        |
| Vacation Accrual                                      | 5,733        | —            |
| Net Operating Loss Carryforward                       | 1,884        | 1,919        |
| Investment Tax Credits                                | 1,860        | 2,489        |
| Other                                                 | 408          | 449          |
| Valuation Allowance                                   | 344          | 3,218        |
|                                                       | (800)        | (600)        |
| Total Deferred Tax Assets                             | \$ 201,792   | \$ 200,634   |
| Deferred Tax Liabilities                              |              |              |
| Differences Related to Property                       | \$ (268,495) | \$ (261,396) |
| Retirement Benefits Regulatory Asset                  | (36,206)     | (32,664)     |
| Excess Tax over Book Pension                          | (17,556)     | (15,145)     |
| Right of Use Asset                                    | (5,705)      | —            |
| North Dakota Wind Tax Credits                         | (3,126)      | (4,386)      |
| Impact of State Net Operating Losses on Federal Taxes | (385)        | (523)        |
| Other                                                 | (2,260)      | (7,496)      |
| Total Deferred Tax Liabilities                        | \$ (333,733) | \$ (321,610) |
| Deferred Income Taxes                                 | \$ (131,941) | \$ (120,976) |

In November of 2018, eligibility period for OTP to earn federal PTCs on its most recently purchased wind turbines ended. Prior to the lapse, OTP earned federal PTCs as wind energy was generated based on a per kwh rate prescribed in applicable federal statutes. OTP's kwh generation from its wind turbines eligible for PTCs decreased 53.0% in 2018 compared with 2017 due to the PTC eligibility period ending for one of OTP's wind farms in 2017 and ending for the last of its PTC-eligible wind farms in 2018. North Dakota wind energy credits are based on dollars invested in qualifying facilities and are being recognized on a straight-line basis over 25 years.

Schedule of expiration of tax credits and tax net operating losses available as of December 31, 2019:

| (in thousands)             | Amount    | 2022-2032 | 2033-2038 | 2039-2043 |
|----------------------------|-----------|-----------|-----------|-----------|
| United States              |           |           |           |           |
| Federal Tax Credits        | \$ 23,002 | \$ —      | \$ 22,220 | \$ 782    |
| State Net Operating Losses | 1,860     | 1,833     | 27        | —         |
| State Tax Credits          | 32,177    | —         | 2,643     | 29,534    |

The following table summarizes the activity related to the Company's unrecognized tax benefits:

| (in thousands)                                      | 2019     | 2018     | 2017   |
|-----------------------------------------------------|----------|----------|--------|
| Balance on January 1                                | \$ 1,282 | \$ 684   | \$ 891 |
| Increases Related to Tax Positions for Prior Years  | 37       | 6        | 28     |
| Decreases Related to Tax Positions for Prior Years  | —        | —        | (172)  |
| Increases Related to Tax Positions for Current Year | 339      | 778      | 143    |
| Uncertain Positions Resolved During Year            | (170)    | (186)    | (206)  |
| Balance on December 31                              | \$ 1,488 | \$ 1,282 | \$ 684 |



The balance of unrecognized tax benefits as of December 31, 2019 would reduce the Company's effective tax rate if recognized. The total amount of unrecognized tax benefits as of December 31, 2019 is not expected to change significantly within the next 12 months. The Company classifies interest and penalties on tax uncertainties as components of the provision for income taxes in the Company's consolidated statement of income. There was no amount accrued for interest on tax uncertainties as of December 31, 2019.

The Company and its subsidiaries file a consolidated U.S. federal income tax return and various state income tax returns. As of December 31, 2019, with limited exceptions, the Company is no longer subject to examinations by taxing authorities for tax years prior to 2016 for federal and North Dakota income taxes and prior to 2015 for Minnesota state income taxes.

## TCJA

In December 2017 the TCJA was enacted. The TCJA includes a number of changes to existing U.S. tax laws that impact the Company, most notably a reduction of the federal corporate income tax rate from 35% to 21% for tax years beginning after December 31, 2017.

The Company measures deferred tax assets and liabilities using enacted tax rates that will apply in the years in which the temporary differences are expected to be recovered or paid. Accordingly, the Company's deferred tax assets and liabilities were remeasured to reflect the reduction in the U.S. corporate income tax rate from 35% to 21% in 2017. On a consolidated financial statement basis, the revaluation resulted in a one-time, non-cash, income tax expense of approximately \$1.8 million in 2017.

The Company recognized the income tax effects of the TCJA in its 2017 consolidated financial statements in accordance with Staff Accounting Bulletin No. 118, which provided SEC staff guidance for the application of ASC Topic 740, *Income Taxes*, and allowed up to one year to complete the required analyses and accounting for the TCJA. At December 31, 2017 the Company was able to make reasonable estimates of the impact of the TCJA for the reduction in the federal corporate tax rate, changes to bonus depreciation and consequences on the Company's regulatory liabilities. The accounting for the income tax effects of the enactment of the TCJA was complete as of September 30, 2018. The Company did not make any material adjustments in 2018 to the amounts recorded at December 31, 2017.

## 15. Asset Retirement Obligations (AROs)

The Company's AROs are related to OTP's coal-fired generation plants and its 92 wind turbines located in North Dakota. The AROs include items such as site restoration, closure of ash pits, and removal of certain structures, generators, asbestos and storage tanks. The Company has legal obligations associated with the retirement of a variety of other long-lived tangible assets used in electric operations where the estimated settlement costs are individually and collectively immaterial. The Company has no assets legally restricted for the settlement of any of its AROs.

OTP recorded no new AROs in 2019.

Reconciliations of carrying amounts of the present value of the Company's legal AROs, capitalized asset retirement costs and related accumulated depreciation and a summary of settlement activity for the years ended December 31, 2019 and 2018 are presented in the following table:

| <i>(in thousands)</i>                               | 2019      | 2018     |
|-----------------------------------------------------|-----------|----------|
| <b>Asset Retirement Obligations</b>                 |           |          |
| Beginning Balance                                   | \$ 9,117  | \$ 8,719 |
| New Obligations Recognized                          | —         | —        |
| Adjustments Due to Revisions in Cash Flow Estimates | 3,099     | —        |
| Accrued Accretion                                   | 440       | 398      |
| Settlements                                         | —         | —        |
| Ending Balance                                      | \$ 12,656 | \$ 9,117 |
| <b>Asset Retirement Costs Capitalized</b>           |           |          |
| Beginning Balance                                   | \$ 2,983  | \$ 2,983 |
| New Obligations Recognized                          | —         | —        |
| Adjustments Due to Revisions in Cash Flow Estimates | 3,099     | —        |
| Settlements                                         | —         | —        |
| Ending Balance                                      | \$ 6,082  | \$ 2,983 |
| <b>Accumulated Depreciation—</b>                    |           |          |
| <b>Asset Retirement Costs Capitalized</b>           |           |          |
| Beginning Balance                                   | \$ 1,034  | \$ 915   |
| New Obligations Recognized                          | —         | —        |
| Adjustments Due to Revisions in Cash Flow Estimates | —         | —        |
| Depreciation Expense                                | 163       | 119      |
| Settlements                                         | —         | —        |
| Ending Balance                                      | \$ 1,197  | \$ 1,034 |
| <b>Settlements</b>                                  |           |          |
| Original Capitalized Asset Retirement Cost—Retired  | \$ —      | \$ —     |
| Accumulated Depreciation                            | —         | —        |
| Asset Retirement Obligation                         | \$ —      | \$ —     |
| Settlement Cost                                     | —         | —        |
| Gain on Settlement—                                 |           |          |
| Deferred Under Regulatory Accounting                | \$ —      | \$ —     |

## 16. Subsequent Events

### Stock Incentive Awards

On February 12, 2020 the following stock incentive awards were granted to officers under the 2014 Incentive Plan with an estimated grant-date fair value of \$3.3 million.

| Award                             | Shares/Units Granted | Vesting                               |
|-----------------------------------|----------------------|---------------------------------------|
| Restricted Stock Units Granted    | 15,300               | 25% per year through February 6, 2024 |
| Stock Performance Awards Granted: |                      |                                       |
| Under Executive Agreement         | 47,600               | December 31, 2022                     |
| Under Legacy Agreement            | 7,400                | December 31, 2022                     |

The vesting of restricted stock units is accelerated in the event of a change in control, disability, death or retirement, subject to proration in certain cases. Restricted stock units granted to executive officers and certain key employees are eligible to receive dividend equivalent payments on all unvested awards over the awards respective vesting periods, subject to forfeiture under the terms of the restricted stock unit award agreements. The grant-date fair value of each restricted stock unit was the average of the high and low market price per share on the date of grant.

Under the performance share awards the aggregate award for performance at target is 55,000 shares. For target performance the participants would earn an aggregate of 27,500 common shares for achieving the target set for the Company's 3-year average adjusted ROE. The participants would also earn an aggregate of 27,500 common shares based on the Company's total shareholder return relative to the total shareholder return of the companies that comprise the EEl Index over the performance measurement period of January 1, 2020 through December 31, 2022, with the beginning and ending share values based on the average closing price of a share of the Company's common stock for the 20 trading days immediately following January 1, 2020 and the average closing price for the 20 trading days immediately preceding January 1, 2023. Actual payment may range from zero to

150% of the target amount, or up to 82,500 common shares. There are no voting or dividend rights related to these shares until the shares, if any, are issued at the end of the performance measurement period. The terms of these awards are such that the entire award will be classified and accounted for as equity, as required under ASC 718, and will be measured over the performance period based on the grant-date fair value of the award. The grant-date fair value of each performance share award was determined using a Monte Carlo fair valuation simulation model.

Under the 2020 Performance Award Agreements, payment and the amount of payment in the event of retirement, resignation for good reason or involuntary termination without cause is to be made at the end of the performance period based on actual performance, subject to proration in certain cases, except that the payment of performance awards granted to an officer who is party to an Executive Employment Agreement with the Company is to be made at target at the date of any such event. The vesting of these awards is accelerated and paid at target in the event of a change in control.

The end of the period over which compensation expense is recognized for the above share-based awards for the individual grantees is the earlier of the indicated vesting period for the respective awards or the date the grantee becomes eligible for retirement as defined in their award agreement.

## SUPPLEMENTARY FINANCIAL INFORMATION

### Quarterly Information (not audited)

Because of changes in the number of common shares outstanding and the impact of diluted shares, the sum of the quarterly earnings per common share may not equal total earnings per common share.

| Three Months Ended                                             | March 31   |            | June 30    |            | September 30 |            | December 31 |            |
|----------------------------------------------------------------|------------|------------|------------|------------|--------------|------------|-------------|------------|
| <i>(in thousands, except per share data)</i>                   | 2019       | 2018       | 2019       | 2018       | 2019         | 2018       | 2019        | 2018       |
| Operating Revenues:                                            |            |            |            |            |              |            |             |            |
| Electric:                                                      |            |            |            |            |              |            |             |            |
| Revenues from Contracts with Customers                         | \$ 129,144 | \$ 123,825 | \$ 101,861 | \$ 105,284 | \$ 115,285   | \$ 105,749 | \$ 111,726  | \$ 115,779 |
| Changes in Accrued Revenues under Alternative Revenue Programs | (1,049)    | (875)      | 369        | (1,565)    | (921)        | (317)      | 2,633       | 2,318      |
| Total Electric Revenues                                        | \$ 128,095 | \$ 122,950 | \$ 102,230 | \$ 103,719 | \$ 114,364   | \$ 105,432 | \$ 114,359  | \$ 118,097 |
| Product Sales under Contracts with Customers                   | 117,877    | 118,316    | 126,973    | 122,629    | 114,288      | 122,230    | 101,317     | 103,074    |
| Total Operating Revenues                                       | \$ 245,972 | \$ 241,266 | \$ 229,203 | \$ 226,348 | \$ 228,652   | \$ 227,662 | \$ 215,676  | \$ 221,171 |
| Operating Income                                               | \$ 39,569  | \$ 37,615  | \$ 26,819  | \$ 30,105  | \$ 37,255    | \$ 38,262  | \$ 31,237   | \$ 23,407  |
| Net Income                                                     | \$ 26,324  | \$ 26,215  | \$ 15,426  | \$ 18,696  | \$ 24,745    | \$ 23,273  | \$ 20,352   | \$ 14,161  |
| Basic Earnings Per Share                                       | \$ .66     | \$ .66     | \$ .39     | \$ .47     | \$ .62       | \$ .59     | \$ .51      | \$ .36     |
| Diluted Earnings Per Share                                     | \$ .66     | \$ .66     | \$ .39     | \$ .47     | \$ .62       | \$ .58     | \$ .51      | \$ .35     |
| Dividends Declared Per Common Share                            | \$ .35     | \$ .335    | \$ .35     | \$ .335    | \$ .35       | \$ .335    | \$ .35      | \$ .335    |
| Average Number of Common Shares Outstanding—Basic              | 39,657     | 39,551     | 39,712     | 39,606     | 39,715       | 39,622     | 39,799      | 39,622     |
| Average Number of Common Shares Outstanding—Diluted            | 39,903     | 39,864     | 39,918     | 39,879     | 39,947       | 39,904     | 40,048      | 39,922     |

## ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

## ITEM 9A. CONTROLS AND PROCEDURES

**Evaluation of Disclosures Controls and Procedures.** Under the supervision and with the participation of the Company's management, including the Chief Executive Officer and the Chief Financial Officer, the Company evaluated the effectiveness of the design and operation of its disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934 (the Exchange Act)) as of December 31, 2019, the end of the period covered by this report. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective as of December 31, 2019.

**Changes in Internal Control over Financial Reporting.** There were no changes in the Company's internal control over financial reporting (as defined in Rules 13a-15(f) under the Exchange Act) during the fourth quarter ended December 31, 2019 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

**Management's Report Regarding Internal Control Over Financial Reporting.** Management is responsible for the preparation and integrity of the consolidated financial statements and representations in this report on Form 10-K. The consolidated financial statements of the Company have been prepared in conformity with generally accepted accounting principles applied on a consistent basis and include some amounts that are based on informed judgments and best estimates and assumptions of management.

In order to assure the consolidated financial statements are prepared in conformance with generally accepted accounting principles, management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). These internal controls are designed only to provide reasonable assurance, on a cost-effective basis, that transactions are carried out in accordance with management's authorizations and assets are safeguarded against loss from unauthorized use or disposition.

Management has completed its assessment of the effectiveness of the Company's internal control over financial reporting as of December 31, 2019. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control—Integrated Framework (2013)* to conduct the required assessment of the effectiveness of the Company's internal control over financial reporting. Based on this assessment, management concluded that, as of December 31, 2019, the Company's internal control over financial reporting was effective based on those criteria. The Company's independent registered public accounting firm, Deloitte & Touche LLP, has audited the Company's consolidated financial statements included in this report on Form 10-K and issued an attestation report on the Company's internal control over financial reporting.

### **Attestation Report of Independent Registered Public Accounting Firm.**

The attestation report of Deloitte & Touche LLP, the Company's independent registered public accounting firm, regarding the Company's internal control over financial reporting is provided on page 49.

## ITEM 9B. OTHER INFORMATION

None.

## PART III

## ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by this Item regarding Directors is incorporated by reference to the information under "Election of Directors" in the Company's definitive Proxy Statement for the 2020 Annual Meeting. The information regarding executive officers and family relationships is set forth in Item 3A of this report on Form 10-K. The information required by this Item regarding the Company's procedures for recommending nominees to the board of directors is incorporated by reference to the information under "Corporate Governance—Director Nomination Process" in the Company's definitive Proxy Statement for the 2020 Annual Meeting. The information required by this Item regarding the Audit Committee and the Company's Audit Committee financial experts is incorporated by reference to the information under "Committees of the Board of Directors—Audit Committee" in the Company's definitive Proxy Statement for the 2020 Annual Meeting.

The Company has adopted a code of conduct that applies to all of its directors, officers (including its principal executive officer, principal financial officer, and its principal accounting officer or controller or person performing similar functions) and employees. The Company's code of conduct is available on its website at [www.ottertail.com](http://www.ottertail.com). The Company intends to satisfy the disclosure requirements under Item 5.05 of Form 8-K regarding an amendment to, or waiver from, a provision of its code of conduct by posting such information on its website at the address specified above. Information on the Company's website is not deemed to be incorporated by reference into this report on Form 10-K.

## ITEM 11. EXECUTIVE COMPENSATION

The information required by this Item is incorporated by reference to the information under "Compensation Discussion and Analysis," "Report of Compensation Committee," "Executive Compensation," "Pay Ratio Disclosure" and "Director Compensation" in the Company's definitive Proxy Statement for the 2020 Annual Meeting.

## ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by this Item regarding security ownership is incorporated by reference to the information under “Security Ownership of Certain Beneficial Owners” in the Company’s definitive Proxy Statement for the 2020 Annual Meeting.

### EQUITY COMPENSATION PLAN INFORMATION

The following table sets forth information as of December 31, 2019 about the Company’s common stock that may be issued under all its equity compensation plans:

| Plan Category                                              | Number of securities to be issued upon exercise of outstanding options, warrants and rights (a) | Weighted average exercise price of outstanding options, warrants and rights (b) | Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c) |
|------------------------------------------------------------|-------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|
| Equity compensation plans approved by security holders:    |                                                                                                 |                                                                                 |                                                                                                                                                 |
| 2014 Stock Incentive Plan                                  | 320,807 (1)                                                                                     | \$ 0.00                                                                         | 1,010,110 (2)                                                                                                                                   |
| 1999 Stock Incentive Plan                                  | 1,153 (3)                                                                                       | \$ 0.00                                                                         | — (4)                                                                                                                                           |
| 1999 Employee Stock Purchase Plan                          |                                                                                                 | N/A                                                                             | 363,195 (5)                                                                                                                                     |
| Equity compensation plans not approved by security holders | —                                                                                               | —                                                                               | —                                                                                                                                               |
| Total                                                      | 321,960                                                                                         | \$ 0.00                                                                         | 1,373,305                                                                                                                                       |

(1) Includes 83,400, 81,000 and 62,497 performance-based share awards granted in 2019, 2018 and 2017, respectively, 93,240 restricted stock units outstanding as of December 31, 2019, and 670 stock units as part of the director deferred compensation program and excludes 40,605 shares of restricted stock issued under the 2014 Stock Incentive Plan.

(2) The 2014 Stock Incentive Plan provides for the issuance of any shares available under the plan in the form of restricted stock, restricted stock units, performance awards and other types of stock-based awards, in addition to the granting of options, warrants or stock appreciation rights.

(3) Director deferred compensation program stock units under the 1999 Stock Incentive Plan.

(4) The 1999 Stock Incentive Plan provided for the issuance of any shares available under the plan in the form of restricted stock, restricted stock units, performance awards and other types of stock-based awards, in addition to the granting of options, warrants or stock appreciation rights. The 1999 Stock Incentive Plan expired by its terms on December 13, 2013 and no more awards may be granted thereunder.

(5) Includes 13,432 shares subject to purchase for the six-month purchase period ended December 31, 2019, with the remainder of the shares to be issued based on employee’s election to participate in the plan.

## ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by this Item is incorporated by reference to the information under “Policy and Procedures Regarding Transactions with Related Persons,” “Election of Directors” and “Committees of the Board of Directors” in the Company’s definitive Proxy Statement for the 2020 Annual Meeting.

## ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by this Item is incorporated by reference to the information under “Ratification of Independent Registered Public Accounting Firm—Fees” and “Ratification of Independent Registered Public Accounting Firm—Pre-Approval of Audit/Non-Audit Services Policy” in the Company’s definitive Proxy Statement for the 2020 Annual Meeting.

## PART IV

### ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) List of documents filed as part of this report:

|                                                                                                          | Page |
|----------------------------------------------------------------------------------------------------------|------|
| <b>1. Financial Statements</b>                                                                           |      |
| Report of Independent Registered Public Accounting Firm .....                                            | 49   |
| Consolidated Balance Sheets, December 31, 2019 and 2018 .....                                            | 52   |
| Consolidated Statements of Income for the Three Years Ended December 31, 2019 .....                      | 54   |
| Consolidated Statements of Comprehensive Income for the Three Years Ended December 31, 2019 .....        | 55   |
| Consolidated Statements of Common Shareholders' Equity for the Three Years Ended December 31, 2019 ..... | 56   |
| Consolidated Statements of Cash Flows for the Three Years Ended December 31, 2019 .....                  | 57   |
| Consolidated Statements of Capitalization, December 31, 2019 and 2018 .....                              | 58   |
| Notes to Consolidated Financial Statements .....                                                         | 59   |

#### 2. Financial Statement Schedules

##### SCHEDULE 1—CONDENSED FINANCIAL INFORMATION OF REGISTRANT

##### OTTER TAIL CORPORATION (PARENT COMPANY)

##### Condensed Balance Sheets, December 31

| (in thousands)                               | 2019         | 2018       |
|----------------------------------------------|--------------|------------|
| <b>Assets</b>                                |              |            |
| <b>Current Assets</b>                        |              |            |
| Cash and Cash Equivalents                    | \$ 4,959     | \$ —       |
| Accounts Receivable                          |              |            |
| Accounts Receivable from Subsidiaries        | 2,144        | 1,931      |
| Interest Receivable from Subsidiaries        | 117          | 117        |
| Notes Receivable from Subsidiaries           | —            | 1,167      |
| Income Taxes Receivable                      | 1,487        | —          |
| Other                                        | 1,050        | 3,482      |
| Total Current Assets                         | 9,757        | 6,697      |
| <b>Investments in Subsidiaries</b>           | 860,646      | 787,869    |
| <b>Notes Receivable from Subsidiaries</b>    | 79,251       | 79,422     |
| <b>Deferred Income Taxes</b>                 | 25,505       | 21,100     |
| <b>Right of Use Assets—Operating</b>         | 637          | —          |
| <b>Other Assets</b>                          | 35,503       | 31,547     |
| <b>Total Assets</b>                          | \$ 1,011,299 | \$ 926,635 |
| <b>Liabilities and Equity</b>                |              |            |
| <b>Current Liabilities</b>                   |              |            |
| Short-Term Debt                              | \$ 6,000     | \$ 9,215   |
| Current Maturities of Long-Term Debt         | 183          | 172        |
| Accounts Payable to Subsidiaries             | 7            | 7          |
| Notes Payable to Subsidiaries                | 89,611       | 60,626     |
| Current Operating Lease Liabilities          | 156          | —          |
| Other                                        | 9,473        | 9,994      |
| Total Current Liabilities                    | 105,430      | 80,014     |
| <b>Long Term Operating Lease Liabilities</b> | 533          | —          |
| <b>Other Noncurrent Liabilities</b>          | 44,042       | 37,814     |
| <b>Commitments and Contingencies</b>         |              |            |
| <b>Capitalization</b>                        |              |            |
| Long-Term Debt, Net of Current Maturities    | 79,812       | 79,944     |
| Common Shareholder Equity                    | 781,482      | 728,863    |
| Total Capitalization                         | 861,294      | 808,807    |
| <b>Total Liabilities and Equity</b>          | \$ 1,011,299 | \$ 926,635 |

See accompanying notes to condensed financial statements.



**OTTER TAIL CORPORATION (PARENT COMPANY)**  
**Condensed Statements of Income—For the Years Ended December 31**

| <i>(in thousands)</i>                                 | 2019      | 2018      | 2017      |
|-------------------------------------------------------|-----------|-----------|-----------|
| <b>Operating Loss</b>                                 |           |           |           |
| Revenue from Contracts with Customers                 | \$ —      | \$ —      | \$ —      |
| Operating Expenses                                    | 10,529    | 9,916     | 7,138     |
| Operating Loss                                        | (10,529)  | (9,916)   | (7,138)   |
| <b>Other Income (Expense)</b>                         |           |           |           |
| Equity Income in Earnings of Subsidiaries             | 93,731    | 91,446    | 82,715    |
| Interest Charges                                      | (4,863)   | (4,043)   | (4,270)   |
| Interest Charges to Subsidiaries                      | (306)     | (387)     | (244)     |
| Interest Income from Subsidiaries                     | 3,063     | 2,839     | 2,848     |
| Nonservice Cost Components of Postretirement Benefits | (1,297)   | (1,422)   | (1,215)   |
| Other Income                                          | 1,566     | 550       | 1,054     |
| Total Other Income                                    | 91,894    | 88,983    | 80,888    |
| <b>Income Before Income Taxes</b>                     | 81,365    | 79,067    | 73,750    |
| <b>Income Tax (Benefit) Expense</b>                   | (5,482)   | (3,278)   | 1,311     |
| <b>Net Income</b>                                     | \$ 86,847 | \$ 82,345 | \$ 72,439 |

See accompanying notes to condensed financial statements.

**OTTER TAIL CORPORATION (PARENT COMPANY)**  
**Condensed Statements of Cash Flows—For the Years Ended December 31**

| <i>(in thousands)</i>                                      | 2019      | 2018      | 2017      |
|------------------------------------------------------------|-----------|-----------|-----------|
| <b>Cash Flows from Operating Activities</b>                |           |           |           |
| <b>Net Cash Provided by Operating Activities</b>           | \$ 52,263 | \$ 56,947 | \$ 50,205 |
| <b>Cash Flows from Investing Activities</b>                |           |           |           |
| Investment in Subsidiaries                                 | (34,990)  | (24,764)  | —         |
| Debt Repaid by Subsidiaries                                | 1,338     | 774       | 151       |
| Cash Used in Investing Activities                          | (257)     | (623)     | (121)     |
| <b>Net Cash (Used in) Provided by Investing Activities</b> | (33,909)  | (24,613)  | 30        |
| <b>Cash Flows from Financing Activities</b>                |           |           |           |
| Change in Checks Written in Excess of Cash                 | (31)      | 31        | —         |
| Net Short-Term (Repayments) Borrowings                     | (3,215)   | 9,215     | —         |
| Borrowings from (Repayments to) Subsidiaries               | 28,985    | (1,281)   | 23,389    |
| Proceeds from Issuance of Common Stock                     | 20,338    | —         | 4,349     |
| Common Stock Issuance Expenses                             | (577)     | (108)     | —         |
| Payments for Retirement of Capital Stock                   | (2,730)   | (3,011)   | (1,799)   |
| Short-Term and Long-Term Debt Issuance Expenses            | (270)     | (164)     | (158)     |
| Payments for Retirement of Long-Term Debt                  | (172)     | (189)     | (15,231)  |
| Dividends Paid                                             | (55,723)  | (53,198)  | (50,632)  |
| <b>Net Cash Used in Financing Activities</b>               | (13,395)  | (48,705)  | (40,082)  |
| <b>Net Change in Cash and Cash Equivalents</b>             | 4,959     | (16,371)  | 10,153    |
| <b>Cash and Cash Equivalents at Beginning of Period</b>    | —         | 16,371    | 6,218     |
| <b>Cash and Cash Equivalents at End of Period</b>          | \$ 4,959  | \$ —      | \$ 16,371 |

See accompanying notes to condensed financial statements.

**OTTER TAIL CORPORATION (PARENT COMPANY)**  
**Notes to Condensed Financial Statements**  
**For the years ended December 31, 2019, 2018 and 2017**

Incorporated by reference are Otter Tail Corporation's consolidated statements of comprehensive income and common shareholders' equity in Part II, Item 8.

**Basis of Presentation**

The condensed financial information of Otter Tail Corporation is presented to comply with Rule 12-04 of Regulation S-X. The unconsolidated condensed financial statements do not reflect all of the information and notes normally included with financial statements prepared in accordance with GAAP. Therefore, these condensed financial statements should be read with the consolidated financial statements and related notes included in this report on Form 10-K.

Otter Tail Corporation's investments in subsidiaries are presented under the equity method of accounting. Under this method, the assets and liabilities of subsidiaries are not consolidated. The investments in net assets of the subsidiaries are recorded in the balance sheets. The income from operations of the subsidiaries is reported on a net basis as equity income in earnings of subsidiaries.

**Related Party Transactions**

| <b>As of December 31, 2019:</b> |                            |                            |                                 |                                   |                         |                              |
|---------------------------------|----------------------------|----------------------------|---------------------------------|-----------------------------------|-------------------------|------------------------------|
| <i>(in thousands)</i>           | <b>Accounts Receivable</b> | <b>Interest Receivable</b> | <b>Current Notes Receivable</b> | <b>Long-Term Notes Receivable</b> | <b>Accounts Payable</b> | <b>Current Notes Payable</b> |
| Otter Tail Power Company        | \$ 2,056                   | \$ —                       | \$ —                            | \$ —                              | \$ 7                    | \$ —                         |
| Northern Pipe Products, Inc.    | —                          | 8                          | —                               | 5,351                             | —                       | 3,056                        |
| Vinyltech Corporation           | 4                          | 17                         | —                               | 11,500                            | —                       | 15,099                       |
| BTD Manufacturing, Inc.         | —                          | 77                         | —                               | 52,000                            | —                       | 18,474                       |
| T.O. Plastics, Inc.             | —                          | 15                         | —                               | 10,400                            | —                       | 3,099                        |
| Varistar Corporation            | —                          | —                          | —                               | —                                 | —                       | 49,883                       |
| Otter Tail Assurance Limited    | 84                         | —                          | —                               | —                                 | —                       | —                            |
|                                 | <b>\$ 2,144</b>            | <b>\$ 117</b>              | <b>\$ —</b>                     | <b>\$ 79,251</b>                  | <b>\$ 7</b>             | <b>\$ 89,611</b>             |

| <b>As of December 31, 2018:</b> |                            |                            |                                 |                                   |                         |                              |
|---------------------------------|----------------------------|----------------------------|---------------------------------|-----------------------------------|-------------------------|------------------------------|
| <i>(in thousands)</i>           | <b>Accounts Receivable</b> | <b>Interest Receivable</b> | <b>Current Notes Receivable</b> | <b>Long-Term Notes Receivable</b> | <b>Accounts Payable</b> | <b>Current Notes Payable</b> |
| Otter Tail Power Company        | \$ 1,877                   | \$ —                       | \$ —                            | \$ —                              | \$ 7                    | \$ —                         |
| Northern Pipe Products, Inc.    | —                          | 8                          | —                               | 5,522                             | —                       | 5,623                        |
| Vinyltech Corporation           | 4                          | 17                         | —                               | 11,500                            | —                       | 15,305                       |
| BTD Manufacturing, Inc.         | —                          | 77                         | 415                             | 52,000                            | —                       | —                            |
| T.O. Plastics, Inc.             | —                          | 15                         | —                               | 10,400                            | —                       | 14,308                       |
| Varistar Corporation            | —                          | —                          | 752                             | —                                 | —                       | 25,390                       |
| Otter Tail Assurance Limited    | 50                         | —                          | —                               | —                                 | —                       | —                            |
|                                 | <b>\$ 1,931</b>            | <b>\$ 117</b>              | <b>\$ 1,167</b>                 | <b>\$ 79,422</b>                  | <b>\$ 7</b>             | <b>\$ 60,626</b>             |

**Dividends**

Dividends paid to Otter Tail Corporation (the Parent) from its subsidiaries were as follows:

| <i>(in thousands)</i>                         | <b>2019</b>      | <b>2018</b>      | <b>2017</b>      |
|-----------------------------------------------|------------------|------------------|------------------|
| Cash Dividends Paid to Parent by Subsidiaries | <b>\$ 55,660</b> | <b>\$ 53,134</b> | <b>\$ 50,571</b> |

See Otter Tail Corporation's notes to consolidated financial statements in Part II, Item 8 for other disclosures.

Other schedules are omitted because of the absence of the conditions under which they are required, because the amounts are insignificant or because the information required is included in the financial statements or the notes thereto.

### 3. Exhibits

The following Exhibits are filed as part of, or incorporated by reference into, this report.

#### Previously Filed

|       | File No.                       | As Exhibit No. |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|-------|--------------------------------|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2-A   | 10-K/A for year ended 12/31/16 | 2-B            | Asset Purchase Agreement, dated as of November 16, 2016, among Otter Tail Power Company, EDF Renewable Development, Inc., Power Partners Midwest, LLC, EDF-RE US Development, LLC and Merricourt Power Partners, LLC.**/**                                                                                                                                                                                                                                                                                                                |
| 2-B   | 10-K/A for year ended 12/31/16 | 2-C            | Turnkey Engineering, Procurement and Construction Services Agreement, dated as of November 16, 2016, between Otter Tail Power Company and EDF-RE US Development, LLC.**/**                                                                                                                                                                                                                                                                                                                                                                |
| 2-C   | 10-Q for quarter ended 6/30/19 | 2.1            | First Amendment to Asset Purchase Agreement and Turnkey Engineering, Procurement and Construction Services Agreement dated June 11, 2019, with EDF Renewables Development, Inc., f/k/a, EDF Renewable Development, Inc., Power Partners Midwest, LLC, EDF-RE US Development, LLC and Merricourt Power Partners, LLC.**                                                                                                                                                                                                                    |
| 3-A   | 8-K filed 7/1/09               | 3.1            | Restated Articles of Incorporation.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| 3-B   | 8-K filed 7/1/09               | 3.2            | Restated Bylaws.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| 4-A   | 8-K filed 8/23/07              | 4.1            | Note Purchase Agreement, dated as of August 20, 2007, between Otter Tail Power Company and the Purchasers named therein.                                                                                                                                                                                                                                                                                                                                                                                                                  |
| 4-A-1 | 8-K filed 12/20/07             | 4.3            | First Amendment, dated as of December 14, 2007, to Note Purchase Agreement, dated as of August 20, 2007, between Otter Tail Power Company and the Purchasers named therein.                                                                                                                                                                                                                                                                                                                                                               |
| 4-A-2 | 8-K filed 9/15/08              | 4.1            | Second Amendment, dated as of September 11, 2008, to Note Purchase Agreement, dated as of August 20, 2007, between Otter Tail Power Company and the Purchasers named therein.                                                                                                                                                                                                                                                                                                                                                             |
| 4-A-3 | 8-K filed 7/1/09               | 4.2            | Third Amendment, dated as of June 26, 2009, to Note Purchase Agreement dated as of August 20, 2007, between Otter Tail Power Company and the Purchasers named therein.                                                                                                                                                                                                                                                                                                                                                                    |
| 4-B   | 8-K filed 11/2/12              | 4.1            | Third Amended and Restated Credit Agreement dated as of October 29, 2012 among Otter Tail Corporation, the Banks named therein, Bank of America, N.A. and JPMorgan Chase Bank, N.A., as Co-Syndication Agents, KeyBank National Association, as Documentation Agent, U.S. Bank National Association, as administrative agent for the Banks and U.S. Bank National Association, Merrill Lynch, Pierce, Fenner & Smith Incorporated and J.P. Morgan Securities LLC, as Joint Lead Arrangers and Joint Book Runners.                         |
| 4-B-1 | 8-K filed 11/1/13              | 4.1            | First Amendment to Third Amended and Restated Credit Agreement, dated as of October 29, 2013, among Otter Tail Corporation, U.S. Bank National Association, as Administrative Agent and as a Bank, Bank of America, N.A. and JPMorgan Chase Bank, N.A., each as a Co-Syndication Agent and as a Bank, KeyBank National Association, as Documentation Agent and as a Bank, and Bank of the West and Union Bank, N.A., as Banks.                                                                                                            |
| 4-B-2 | 8-K filed 11/4/14              | 4.1            | Second Amendment to Third Amended and Restated Credit Agreement, dated as of November 3, 2014, among Otter Tail Corporation, U.S. Bank National Association, as Administrative Agent and as a Bank, Bank of America, N.A. and JPMorgan Chase Bank, N.A., each as a Co-Syndication Agent and as a Bank, KeyBank National Association, as Documentation Agent and as a Bank, and Bank of the West as a Bank.                                                                                                                                |
| 4-B-3 | 8-K filed 11/3/15              | 4.1            | Third Amendment to Third Amended and Restated Credit Agreement, dated as of October 29, 2015, among Otter Tail Corporation, U.S. Bank National Association, as Administrative Agent and as a Bank, Bank of America, N.A. and JPMorgan Chase Bank, N.A., each as a Co-Syndication Agent and as a Bank, KeyBank National Association, as Documentation Agent and as a Bank, and Bank of the West as a Bank.                                                                                                                                 |
| 4-B-4 | 8-K filed 11/3/16              | 4.1            | Fourth Amendment to Third Amended and Restated Credit Agreement, dated as of October 31, 2016, among Otter Tail Corporation, U.S. Bank National Association, as Administrative Agent and as a Bank, Bank of America, N.A. and JPMorgan Chase Bank, N.A., each as a Co-Syndication Agent and as a Bank, KeyBank National Association, as Documentation Agent and as a Bank, and Bank of the West as a Bank.                                                                                                                                |
| 4-B-5 | 8-K filed 11/2/17              | 4.1            | Fifth Amendment to Third Amended and Restated Credit Agreement, dated as of October 31, 2017, among Otter Tail Corporation, U.S. Bank National Association, as Administrative Agent and as a Bank, Bank of America, N.A. and JPMorgan Chase Bank, N.A., each as a Co-Syndication Agent and as a Bank, KeyBank National Association, as Documentation Agent and as a Bank, and Bank of the West as a Bank.                                                                                                                                 |
| 4-B-6 | 8-K filed 11/6/18              | 4.1            | Sixth Amendment to Third Amended and Restated Credit Agreement, dated as of October 31, 2018, among Otter Tail Corporation, U.S. Bank National Association, as Administrative Agent and as a Bank, Bank of America, N.A. and JPMorgan Chase Bank, N.A., each as a Co-Syndication Agent and as a Bank, KeyBank National Association, as Documentation Agent and as a Bank, and Bank of the West as a Bank.                                                                                                                                 |
| 4-B-7 | 8-K filed 11/5/19              | 4.1            | Seventh Amendment to Third Amended and Restated Credit Agreement, dated as of October 31, 2019, among Otter Tail Corporation, U.S. Bank National Association, as Administrative Agent and as a Bank, Bank of America, N.A. and JPMorgan Chase Bank, N.A., each as a Co-Syndication Agent and as a Bank, KeyBank National Association, as Documentation Agent and as a Bank, and Wells Fargo Bank, National Association, as a Bank.                                                                                                        |
| 4-C   | 8-K filed 11/2/12              | 4.2            | Second Amended and Restated Credit Agreement dated as of October 29, 2012 among Otter Tail Power Company, the Banks named therein, JPMorgan Chase Bank, N.A. and Bank of America, N.A., as Co-Syndication Agents, KeyBank National Association and CoBank, ACB, as Co-Documentation Agents, U.S. Bank National Association, as administrative agent for the Banks, and U.S. Bank National Association, Merrill Lynch, Pierce, Fenner & Smith Incorporated and J.P. Morgan Securities LLC, as Joint Lead Arrangers and Joint Book Runners. |

Previously Filed

|        | File No.                       | As Exhibit No. |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|--------|--------------------------------|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 4-C-1  | 8-K filed 11/1/13              | 4.2            | First Amendment to Second Amended and Restated Credit Agreement, dated as of October 29, 2013, among Otter Tail Power Company, U.S. Bank National Association, as Administrative Agent and as a Bank, Bank of America, N.A. and JPMorgan Chase Bank, N.A., each as a Co-Syndication Agent and as a Bank, KeyBank National Association, as Documentation Agent and as a Bank, CoBank, ACB, as a Co-Documentation Agent and as a Bank, and Wells Fargo Bank, National Association and Union Bank, N.A., as Banks. |
| 4-C-2  | 8-K filed 11/4/14              | 4.2            | Second Amendment to Second Amended and Restated Credit Agreement, dated as of November 3, 2014, among Otter Tail Power Company, U.S. Bank National Association, as Administrative Agent and as a Bank, Bank of America, N.A. and JPMorgan Chase Bank, N.A., each as a Co-Syndication Agent and as a Bank, KeyBank National Association, as Documentation Agent and as a Bank, CoBank, ACB, as a Co-Documentation Agent and as a Bank, and Wells Fargo Bank, National Association as a Bank.                     |
| 4-C-3  | 8-K filed 11/3/15              | 4.2            | Third Amendment to Second Amended and Restated Credit Agreement, dated as of October 29, 2015, among Otter Tail Power Company, U.S. Bank National Association, as Administrative Agent and as a Bank, Bank of America, N.A. and JPMorgan Chase Bank, N.A., each as a Co-Syndication Agent and as a Bank, KeyBank National Association, as Documentation Agent and as a Bank, CoBank, ACB, as a Co-Documentation Agent and as a Bank, and Wells Fargo Bank, National Association as a Bank.                      |
| 4-C-4  | 8-K filed 11/3/16              | 4.2            | Fourth Amendment to Second Amended and Restated Credit Agreement, dated as of October 31, 2016, among Otter Tail Power Company, U.S. Bank National Association, as Administrative Agent and as a Bank, Bank of America, N.A. and JPMorgan Chase Bank, N.A., each as a Co-Syndication Agent and as a Bank, KeyBank National Association, as Documentation Agent and as a Bank, CoBank, ACB, as a Co-Documentation Agent and as a Bank, and Wells Fargo Bank, National Association as a Bank.                     |
| 4-C-5  | 8-K filed 11/2/17              | 4.2            | Fifth Amendment to Second Amended and Restated Credit Agreement, dated as of October 31, 2017, among Otter Tail Power Company, U.S. Bank National Association, as Administrative Agent and as a Bank, Bank of America, N.A. and JPMorgan Chase Bank, N.A., each as a Co-Syndication Agent and as a Bank, KeyBank National Association, as Documentation Agent and as a Bank, CoBank, ACB, as a Co-Documentation Agent and as a Bank, and Wells Fargo Bank, National Association as a Bank.                      |
| 4-C-6  | 8-K filed 11/6/18              | 4.2            | Sixth Amendment to Second Amended and Restated Credit Agreement, dated as of October 31, 2018, among Otter Tail Power Company, U.S. Bank National Association, as Administrative Agent and as a Bank, Bank of America, N.A. and JPMorgan Chase Bank, N.A., each as a Co-Syndication Agent and as a Bank, KeyBank National Association, as Documentation Agent and as a Bank, CoBank, ACB, as a Co-Documentation Agent and as a Bank, and Wells Fargo Bank, National Association as a Bank.                      |
| 4-C-7  | 8-K filed 11/5/19              | 4.2            | Seventh Amendment to Second Amended and Restated Credit Agreement, dated as of October 31, 2019, among Otter Tail Power Company, U.S. Bank National Association, as Administrative Agent and as a Bank, Bank of America, N.A. and JPMorgan Chase Bank, N.A., each as a Co-Syndication Agent and as a Bank, KeyBank National Association, as Documentation Agent and as a Bank, CoBank, ACB, as a Co-Documentation Agent and as a Bank, and Wells Fargo Bank, National Association, as a Bank.                   |
| 4-D    | 8-K filed 8/3/11               | 4.1            | Note Purchase Agreement, dated as of July 29, 2011, between Otter Tail Power Company and the Purchasers named therein.                                                                                                                                                                                                                                                                                                                                                                                          |
| 4-E    | 8-K filed 8/16/13              | 4.1            | Note Purchase Agreement dated as of August 14, 2013 between Otter Tail Power Company and the Purchasers named therein.                                                                                                                                                                                                                                                                                                                                                                                          |
| 4-F    | 8-K filed 9/27/16              | 4.1            | Note Purchase Agreement dated as of September 23, 2016 between Otter Tail Corporation and the Purchasers named therein.                                                                                                                                                                                                                                                                                                                                                                                         |
| 4-G    | 8-K filed 11/16/17             | 4.1            | Note Purchase Agreement dated as of November 14, 2017 between Otter Tail Power Company and the Purchasers named therein.                                                                                                                                                                                                                                                                                                                                                                                        |
| 4-H    | 8-K filed 9/16/19              | 4.1            | Note Purchase Agreement dated as of September 12, 2019 between Otter Tail Power Company and the Purchasers named therein.                                                                                                                                                                                                                                                                                                                                                                                       |
| 4-I    |                                |                | Description of Securities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| 10-A   | 10-K for year ended 12/31/89   | 10-F           | Agreement for Sharing Ownership of Generating Plant by and between the Company, Montana-Dakota Utilities Co., and Northwestern Public Service Company (dated as of January 7, 1970).                                                                                                                                                                                                                                                                                                                            |
| 10-A-1 | 10-K for year ended 12/31/89   | 10-F-1         | Letter of Intent for purchase of share of Big Stone Plant from Northwestern Public Service Company (dated as of May 8, 1984).                                                                                                                                                                                                                                                                                                                                                                                   |
| 10-A-2 | 10-K for year ended 12/31/91   | 10-F-2         | Supplemental Agreement No. 1 to Agreement for Sharing Ownership of Big Stone Plant (dated as of July 1, 1983).                                                                                                                                                                                                                                                                                                                                                                                                  |
| 10-A-3 | 10-K for year ended 12/31/91   | 10-F-3         | Supplemental Agreement No. 2 to Agreement for Sharing Ownership of Big Stone Plant (dated as of March 1, 1985).                                                                                                                                                                                                                                                                                                                                                                                                 |
| 10-A-4 | 10-K for year ended 12/31/91   | 10-F-4         | Supplemental Agreement No. 3 to Agreement for Sharing Ownership of Big Stone Plant (dated as of March 31, 1986).                                                                                                                                                                                                                                                                                                                                                                                                |
| 10-A-5 | 10-Q for quarter ended 9/30/03 | 10.1           | Supplemental Agreement No. 4 to Agreement for Sharing Ownership of Big Stone Plant (dated as of April 24, 2003).                                                                                                                                                                                                                                                                                                                                                                                                |
| 10-A-6 | 10-K for year ended 12/31/92   | 10-F-5         | Amendment I to Letter of Intent dated May 8, 1984, for purchase of share of Big Stone Plant.                                                                                                                                                                                                                                                                                                                                                                                                                    |

Previously Filed

|          | File No.                         | As Exhibit No. |                                                                                                                                                                                                                                                                                  |
|----------|----------------------------------|----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 10-B     | 10-Q for quarter ended 6/30/15   | 10.3           | Big Stone South–Ellendale Project Ownership Agreement dated as of June 12, 2015 between Otter Tail Power Company, a wholly owned subsidiary of Otter Tail Corporation, and Montana-Dakota Utilities Co., a division of MDU Resources Group, Inc.**                               |
| 10-C     | 2-61043                          | 5-H            | Agreement for Sharing Ownership of Coyote Station Generating Unit No. 1 by and between the Company, Minnkota Power Cooperative, Inc., Montana-Dakota Utilities Co., Northwestern Public Service Company and Minnesota Power & Light Company (dated as of July 1, 1977).          |
| 10-C-1   | 10-K for year ended 12/31/89     | 10-H-1         | Supplemental Agreement No. One, dated as of November 30, 1978, to Agreement for Sharing Ownership of Coyote Generating Unit No. 1.                                                                                                                                               |
| 10-C-2   | 10-K for year ended 12/31/89     | 10-H-2         | Supplemental Agreement No. Two, dated as of March 1, 1981, to Agreement for Sharing Ownership of Coyote Generating Unit No. 1 and Amendment No. 2 dated March 1, 1981, to Coyote Plant Coal Agreement.                                                                           |
| 10-C-3   | 10-K for year ended 12/31/89     | 10-H-3         | Amendment, dated as of July 29, 1983, to Agreement for Sharing Ownership of Coyote Generating Unit No. 1.                                                                                                                                                                        |
| 10-C-4   | 10-K for year ended 12/31/92     | 10-H-4         | Agreement, dated as of September 5, 1985, containing Amendment No. 3 to Agreement for Sharing Ownership of Coyote Generating Unit No. 1, dated as of July 1, 1977, and Amendment No. 5 to Coyote Plant Coal Agreement, dated as of January 1, 1978.                              |
| 10-C-5   | 10-Q for quarter ended 9/30/01   | 10-A           | Amendment, dated as of June 14, 2001, to Agreement for Sharing Ownership of Coyote Generating Unit No. 1.                                                                                                                                                                        |
| 10-C-6   | 10-Q for quarter ended 9/30/03   | 10.2           | Amendment, dated as of April 24, 2003, to Agreement for Sharing Ownership of Coyote Generating Unit No. 1.                                                                                                                                                                       |
| 10-D     | 10-K for year ended 12/31/12     | 10-J           | Lignite Sales Agreement between Coyote Creek Mining Company, L.L.C. and Otter Tail Power Company, Northern Municipal Power Agency, Montana-Dakota Utilities Co., Northwestern Corporation, dated as of October 10, 2012.**                                                       |
| 10-D-1   | 8-K filed 1/31/14                | 10.1           | First Amendment to Lignite Sales Agreement dated as of January 30, 2014 among Otter Tail Power Company, Northern Municipal Power Agency, Montana-Dakota Utilities Co., a division of MDU Resources Group, Inc., NorthWestern Corporation and Coyote Creek Mining Company, L.L.C. |
| 10-D-2   | 8-K filed 3/18/15                | 10.1           | Second Amendment to Lignite Sales Agreement dated as of March 16, 2015 among Otter Tail Power Company, Northern Municipal Power Agency, Montana-Dakota Utilities Co., a division of MDU Resources Group, Inc., NorthWestern Corporation and Coyote Creek Mining Company, L.L.C.  |
| 10-E     | 10-Q/A for quarter ended 6/30/13 | 10.1           | Wind Energy Purchase Agreement dated May 9, 2013 between Otter Tail Power Company and Ashtabula Wind III, LLC.**                                                                                                                                                                 |
| 10-F-1   | 10-K for year ended 12/31/02     | 10-N-1         | Deferred Compensation Plan for Directors, as amended.*                                                                                                                                                                                                                           |
| 10-F-1a  | 10-K for year ended 12/31/10     | 10-N-1A        | First Amendment of Deferred Compensation Plan for Directors (2003 Restatement), as amended.*                                                                                                                                                                                     |
| 10-F-1b  | 8-K filed 4/17/14                | 10.5           | Second Amendment of Deferred Compensation Plan for Directors (2003 Restatement), as amended.*                                                                                                                                                                                    |
| 10-F-2   | 8-K filed 12/27/19               | 10.1           | Executive Survivor and Supplemental Retirement Plan (2020 Restatement).*                                                                                                                                                                                                         |
| 10-F-3   | 10-Q for quarter ended 9/30/11   | 10.1           | Nonqualified Retirement Plan (2011 Restatement).*                                                                                                                                                                                                                                |
| 10-F-4   | 10-Q for quarter ended 9/30/16   | 10.1           | 1999 Employee Stock Purchase Plan, As Amended (2016).                                                                                                                                                                                                                            |
| 10-F-5   | 8-K filed 4/13/06                | 10.4           | 1999 Stock Incentive Plan, As Amended (2006).*                                                                                                                                                                                                                                   |
| 10-F-6   | 10-K for year ended 12/31/13     | 10-O-12        | 2014 Executive Annual Incentive Plan.*                                                                                                                                                                                                                                           |
| 10-F-7   | 333-195337                       | 4.1            | Otter Tail Corporation 2014 Stock Incentive Plan.*                                                                                                                                                                                                                               |
| 10-F-8   | 10-K for year ended 12/31/16     | 10-J-14        | Summary of Non-Employee Director Compensation (2016).*                                                                                                                                                                                                                           |
| 10-F-9   | 8-K filed 2/11/15                | 10.3           | Form of Restricted Stock Unit Award Agreement (Executives).*                                                                                                                                                                                                                     |
| 10-F-10  | 8-K filed 2/11/15                | 10.4           | Form of Restricted Stock Unit Award Agreement (Legacy).*                                                                                                                                                                                                                         |
| 10-F-11  | 8-K filed 4/15/15                | 10.2           | Form of Restricted Stock Award Agreement for Directors.*                                                                                                                                                                                                                         |
| 10-F-12  | 8-K filed 2/11/15                | 10.5           | Otter Tail Corporation Executive Restoration Plus Plan, as Amended and Restated.*                                                                                                                                                                                                |
| 10-F-12a | 10-K for year ended 12/31/17     | 10-F-18a       | First Amendment of Otter Tail Corporation Executive Restoration Plus Plan.*                                                                                                                                                                                                      |
| 10-F-13  | 10-K for year ended 12/31/17     | 10-F-19        | Summary of Non-Employee Director Compensation (2018).*                                                                                                                                                                                                                           |
| 10-F-14  | 10-Q for quarter ended 03/31/18  | 10.1           | Form of 2018 Performance Award Agreement (Executives).*                                                                                                                                                                                                                          |
| 10-F-15  | 10-Q for quarter ended 03/31/18  | 10.2           | Form of 2018 Performance Award Agreement (Legacy).*                                                                                                                                                                                                                              |



Previously Filed

| File No. | As Exhibit No.                 |                                                                                                                    |
|----------|--------------------------------|--------------------------------------------------------------------------------------------------------------------|
| 10-F-16  | 10-K for year ended 12/31/18   | 10-F-18 Form of 2018 Restricted Stock Award Agreement for Directors.*                                              |
| 10-F-17  | 10-K for year ended 12/31/18   | 10-F-19 Summary of Non-Employee Director Compensation (2019).*                                                     |
| 10-G     | 8-K filed 11/8/19              | 1.1 Distribution Agreement dated November 8, 2019, between Otter Tail Corporation and KeyBanc Capital Markets Inc. |
| 10-H     | 10-K for year ended 12/31/12   | 10-O-1 Executive Employment Agreement, Kevin Moug.*                                                                |
| 10-I-1   | 10-K for year ended 12/31/10   | 10-Q-3 Change in Control Severance Agreement, Kevin G. Moug.*                                                      |
| 10-I-2   | 10-K for year ended 12/31/11   | 10-Q-5 Change in Control Severance Agreement, Chuck MacFarlane.*                                                   |
| 10-I-3   | 10-Q for quarter ended 9/30/14 | 10.3 Change in Control Severance Agreement, Timothy Rogelstad.*                                                    |
| 10-I-4   | 10-Q for quarter ended 9/30/14 | 10.6 Change in Control Severance Agreement, Paul Knutson.*                                                         |
| 10-I-5   | 10-K for year ended 12/31/15   | 10-R-6 Change in Control Severance Agreement, John Abbott.*                                                        |
| 10-I-6   | 10-K for year ended 12/31/17   | 10-I-7 Change in Control Severance Agreement, Jennifer Smestad.*                                                   |
| 10-J     | 10-K for year ended 12/31/17   | 10-J Otter Tail Corporation Executive Severance Plan.*                                                             |
| 21-A     |                                | Subsidiaries of Registrant.                                                                                        |
| 23-A     |                                | Consent of Deloitte & Touche LLP.                                                                                  |
| 24-A     |                                | Power of Attorney.                                                                                                 |
| 31.1     |                                | Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.                |
| 31.2     |                                | Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.                |
| 32.1     |                                | Certification of Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.                |
| 32.2     |                                | Certification of Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.                |
| 101.SCH  |                                | Inline XBRL Taxonomy Extension Schema Document.                                                                    |
| 101.CAL  |                                | Inline XBRL Taxonomy Extension Calculation Linkbase Document.                                                      |
| 101.LAB  |                                | Inline XBRL Taxonomy Extension Label Linkbase Document.                                                            |
| 101.PRE  |                                | Inline XBRL Taxonomy Extension Presentation Linkbase Document.                                                     |
| 101.DEF  |                                | Inline XBRL Taxonomy Extension Definition Linkbase Document.                                                       |
| 104      |                                | Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).                          |

\*Management contract, compensatory plan or arrangement required to be filed pursuant to Item 601(b)(10)(iii)(A) of Regulation S-K.

\*\*Confidential information has been omitted from this Exhibit and filed separately with the Securities and Exchange Commission pursuant to a confidential treatment request under Rule 24b-2.

\*\*\*Certain information has been omitted pursuant to Item 601(b)(2) of Regulation S-K. The Company hereby undertakes to furnish copies of any of the omitted schedules and exhibits to the Securities and Exchange Commission upon request.

Pursuant to Item 601(b)(4)(iii) of Regulation S-K, copies of certain instruments defining the rights of holders of certain long-term debt of the Company are not filed, and in lieu thereof, the Company agrees to furnish copies thereof to the Securities and Exchange Commission upon request.

ITEM 16. FORM 10-K SUMMARY

None.

# SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

## OTTER TAIL CORPORATION

By /s/ Kevin G. Moug

Kevin G. Moug  
Chief Financial Officer and Senior Vice President  
(authorized officer and principal financial officer)

Dated: February 20, 2020

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

### Signature and Title

Charles S. MacFarlane  
President and Chief Executive Officer  
(principal executive officer) and Director

Kevin G. Moug  
Chief Financial Officer and Senior Vice President  
(principal financial and accounting officer)

Nathan I. Partain  
Chairman of the Board and Director

Karen M. Bohn, Director

John D. Erickson, Director

Steven L. Fritze, Director

Kathryn O. Johnson, Director

Timothy J. O'Keefe, Director

James B. Stake, Director

Thomas J. Webb, Director

By /s/ Charles S. MacFarlane

Charles S. MacFarlane  
Pro Se and Attorney-in-Fact

Dated February 20, 2020

# SHAREHOLDER SERVICES

## Otter Tail Corporation Stock Listing

Otter Tail Corporation common stock trades on the Nasdaq Global Select Market. Our ticker symbol is OTTR. You can find our daily stock price on our website, [www.ottertail.com](http://www.ottertail.com). Shareholders who sign up for Internet account access can view their account information online.

## Dividends

Otter Tail Corporation has paid dividends on our common shares each quarter since 1938 without interruption or reduction. 2019 dividends were \$1.40 per share, and the year-end yield was 2.7 percent. Total shareholder return grew at a compounded average annual rate of 12.1 percent for the past ten years.

## Dividend Reinvestment and Share Purchase Plan

Our Dividend Reinvestment and Share Purchase Plan provides shareholders of record with a convenient method for purchasing shares of Otter Tail Corporation common stock. Approximately 82 percent of eligible shareowners holding approximately 11 percent of our common shares are enrolled. Through this plan, participants may have their dividends automatically reinvested in additional shares without paying any brokerage fees or service charges. Shareholders also may contribute a minimum of \$10 and a maximum of \$120,000 annually. Automatic withdrawal from a checking or savings account is available for this service. Shareholders also may sell shares through the plan. Existing Otter Tail shareholders and new investors can enroll online through [Shareowneronline.com](http://Shareowneronline.com). For the first purchase, the minimum investment is \$250. For more information, contact Shareholder Services.

## Electronic Dividend Deposit

You can arrange for electronic deposit of your dividends directly to your checking or savings accounts. For authorization materials, contact Shareholder Services.

## Stock Certificates and DRS

Replacing missing certificates is a costly and time-consuming process so you should keep a separate record of the certificate number, purchase date, date of issue, price paid, and exact registration name. If you are enrolled in the Dividend Reinvestment and Share Purchase Plan, you have the option of depositing your common certificates into your plan account. We also offer direct registration system (DRS) as a method of holding your shares in book-entry form, which eliminates the need to hold stock certificates.

## 2020 Annual Meeting of Shareholders

Monday, April 20, 2020 • 10:30 a.m., Central Daylight Time  
Bigwood Event Center  
Country Inn & Suites, by Radisson  
925 Western Avenue  
Fergus Falls, Minnesota

## 2020 Common Dividend Dates

| EX-DIVIDEND | RECORD      | PAYMENT      |
|-------------|-------------|--------------|
| February 13 | February 14 | March 10     |
| May 14      | May 15      | June 10      |
| August 13   | August 14   | September 10 |
| November 12 | November 13 | December 10  |

## Key Statistics

|                                                 |                |
|-------------------------------------------------|----------------|
| Nasdaq                                          | OTTR           |
| Year-end stock price                            | \$51.29        |
| Year-end market-to-book ratio                   | 2.6            |
| Annual dividend yield                           | 2.7%           |
| Shares outstanding                              | 40.2 million   |
| Market capitalization (as of December 31, 2019) | \$2.06 billion |
| 2019 average daily trading volume               | 84,142         |
| Institutional holdings                          |                |
| (shares as of December 31, 2019)                | 21.6 million   |

## Current Credit Ratings

|                                  | Moody's | Fitch  | S&P    |
|----------------------------------|---------|--------|--------|
| <b>Otter Tail Corporation:</b>   |         |        |        |
| Issuer Default Rating            | Baa2    | BBB-   | BBB    |
| Senior Unsecured Debt            | N.A.    | BBB-   | N.A.   |
| Outlook                          | Stable  | Stable | Stable |
| <b>Otter Tail Power Company:</b> |         |        |        |
| Issuer Default Rating            | A3      | BBB    | BBB+   |
| Senior Unsecured Debt            | N.A.    | BBB+   | BBB+   |
| Outlook                          | Stable  | Stable | Stable |

## Transfer Agent

Equiniti Shareowner Services  
P.O. Box 64856, St. Paul, MN 55164-0856  
Phone: 800-468-9716 or 651-450-4064

## Shareholder Services

|                             |                                                                           |
|-----------------------------|---------------------------------------------------------------------------|
| Otter Tail Corporation      | Phone: 800-664-1259                                                       |
| 215 South Cascade Street    | or 218-739-8479                                                           |
| P.O. Box 496                | Email: <a href="mailto:sharesvc@ottertail.com">sharesvc@ottertail.com</a> |
| Fergus Falls, MN 56538-0496 | Fax: 218-998-3165                                                         |



## EXECUTIVE LEADERSHIP

Back: Kevin Moug, Paul Knutson, Chuck MacFarlane, Tim Rogelstad, and Jennifer Smestad  
Front: Stephanie Hoff and John Abbott

### CHARLES S. MACFARLANE

President and  
Chief Executive Officer

### KEVIN G. MOUG

Chief Financial Officer and  
Senior Vice President

### TIMOTHY J. ROGELSTAD

Senior Vice President,  
Electric Platform;  
President, Otter Tail  
Power Company

### JOHN S. ABBOTT

Senior Vice President,  
Manufacturing Platform;  
President, Varistar

### PAUL L. KNUTSON

Vice President,  
Human Resources

### JENNIFER O. SMESTAD

Vice President,  
General Counsel,  
and Corporate Secretary

### STEPHANIE A. HOFF

Director,  
Corporate Communications



NATHAN PARTAIN



KAREN BOHN



JOHN ERICKSON



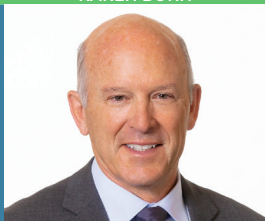
STEVEN FRITZE



KATHRYN JOHNSON



CHARLES MACFARLANE



TIMOTHY O'KEEFE



JAMES STAKE



THOMAS WEBB

## DIRECTORS

### NATHAN I. PARTAIN

Chairman of the Board  
Chicago, Illinois  
President and  
Chief Investment Officer,  
Duff & Phelps Investment  
Management Co.; President  
and Chief Executive Officer,  
DNP Select Income Fund, Inc.  
(closed-end utility fund)

### KAREN M. BOHN

A/CG—Edina, Minnesota  
Chief Executive Officer and  
President, Galeo Group, LLC  
(management consulting firm)

### JOHN D. ERICKSON

Fergus Falls, Minnesota  
Former President and  
Chief Executive Officer,  
Otter Tail Corporation (utility  
and diversified businesses)

### STEVEN L. FRITZE

A/CG—Eagan, Minnesota  
Retired Chief Financial  
Officer, Ecolab Inc.  
(diversified manufacturing)

### DR. KATHRYN O. JOHNSON

C/CG—Hill City, South Dakota  
Owner and Principal, Johnson  
Environmental Concepts  
(geochemical consulting firm)

### CHARLES S. MACFARLANE

Fergus Falls, Minnesota  
President and Chief  
Executive Officer,  
Otter Tail Corporation

### TIMOTHY J. O'KEEFE

C/CG—Grand Forks, North Dakota  
Retired Executive Vice President,  
University of North Dakota  
Alumni Association;  
Retired Chief Executive Officer,  
University of North Dakota  
Foundation (nonprofit)

### JAMES B. STAKE

A/C—Edina, Minnesota  
Retired Executive Vice President,  
Enterprise Services, 3M Company  
(diversified manufacturing)

### THOMAS J. WEBB

A/C—Richland, Michigan  
Retired Executive Vice President,  
Chief Financial Officer, and  
Vice Chairman, CMS Energy  
Corporation (gas and  
electric utility)

### Committees:

A—Audit

C—Compensation

CG—Corporate Governance





We continue to achieve high customer service metrics at our operating companies. Northern Pipe Products Extrusion Associate Mustapha Harb (right), together with Maintenance Technician Chad Warne and Certified Quality Specialist Carlos Espinoza (cover), help provide innovative solutions and consistent product and service excellence.

## ABOUT THE COVER



Otter Tail Power Company Construction Site Supervisor Keith Kelly (left) and Project Engineer Jacob Robinson, along with Business Specialist Carol Westergard (cover), help oversee our Astoria Station and Merricourt Wind Energy Center generation projects, which are paving the way for a cleaner energy future.

SHAREHOLDER SERVICES

215 S. Cascade St., P.O. Box 496  
Fergus Falls, MN 56538-0496  
Phone: 800-664-1259 or 218-739-8479  
Email: [sharesvc@ottertail.com](mailto:sharesvc@ottertail.com)  
[www.ottertail.com](http://www.ottertail.com) / Nasdaq: OTTR



THIS FILING IS

Item 1: ☒ An Initial (Original) Submission OR ☐ Resubmission No. \_\_\_\_\_

Form 1 Approved  
OMB No.1902-0021  
(Expires 11/30/2022)  
Form 1-F Approved  
OMB No.1902-0029  
(Expires 11/30/2022)  
Form 3-Q Approved  
OMB No.1902-0205  
(Expires 11/30/2022)



# FERC FINANCIAL REPORT

## FERC FORM No. 1: Annual Report of Major Electric Utilities, Licensees and Others and Supplemental Form 3-Q: Quarterly Financial Report

These reports are mandatory under the Federal Power Act, Sections 3, 4(a), 304 and 309, and 18 CFR 141.1 and 141.400. Failure to report may result in criminal fines, civil penalties and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider these reports to be of confidential nature

Exact Legal Name of Respondent (Company)

Otter Tail Power Company

Year/Period of Report

End of 2019/Q4

# INSTRUCTIONS FOR FILING FERC FORM NOS. 1 and 3-Q

## GENERAL INFORMATION

### I. Purpose

FERC Form No. 1 (FERC Form 1) is an annual regulatory requirement for Major electric utilities, licensees and others (18 C.F.R. § 141.1). FERC Form No. 3-Q (FERC Form 3-Q) is a quarterly regulatory requirement which supplements the annual financial reporting requirement (18 C.F.R. § 141.400). These reports are designed to collect financial and operational information from electric utilities, licensees and others subject to the jurisdiction of the Federal Energy Regulatory Commission. These reports are also considered to be non-confidential public use forms.

### II. Who Must Submit

Each Major electric utility, licensee, or other, as classified in the Commission's Uniform System of Accounts Prescribed for Public Utilities and Licensees Subject To the Provisions of The Federal Power Act (18 C.F.R. Part 101), must submit FERC Form 1 (18 C.F.R. § 141.1), and FERC Form 3-Q (18 C.F.R. § 141.400).

Note: Major means having, in each of the three previous calendar years, sales or transmission service that exceeds one of the following:

- (1) one million megawatt hours of total annual sales,
- (2) 100 megawatt hours of annual sales for resale,
- (3) 500 megawatt hours of annual power exchanges delivered, or
- (4) 500 megawatt hours of annual wheeling for others (deliveries plus losses).

### III. What and Where to Submit

(a) Submit FERC Forms 1 and 3-Q electronically through the forms submission software. Retain one copy of each report for your files. Any electronic submission must be created by using the forms submission software provided free by the Commission at its web site: <http://www.ferc.gov/docs-filing/forms/form-1/elec-subm-soft.asp>. The software is used to submit the electronic filing to the Commission via the Internet.

(b) The Corporate Officer Certification must be submitted electronically as part of the FERC Forms 1 and 3-Q filings.

(c) Submit immediately upon publication, by either eFiling or mail, two (2) copies to the Secretary of the Commission, the latest Annual Report to Stockholders. Unless eFiling the Annual Report to Stockholders, mail the stockholders report to the Secretary of the Commission at:

Secretary  
Federal Energy Regulatory Commission  
888 First Street, NE  
Washington, DC 20426

(d) For the CPA Certification Statement, submit within 30 days after filing the FERC Form 1, a letter or report (not applicable to filers classified as Class C or Class D prior to January 1, 1984). The CPA Certification Statement can be either eFiled or mailed to the Secretary of the Commission at the address above.

The CPA Certification Statement should:

- a) Attest to the conformity, in all material aspects, of the below listed (schedules and pages) with the Commission's applicable Uniform System of Accounts (including applicable notes relating thereto and the Chief Accountant's published accounting releases), and
- b) Be signed by independent certified public accountants or an independent licensed public accountant certified or licensed by a regulatory authority of a State or other political subdivision of the U. S. (See 18 C.F.R. §§ 41.10-41.12 for specific qualifications.)

| <u>Reference Schedules</u>     | <u>Pages</u> |
|--------------------------------|--------------|
| Comparative Balance Sheet      | 110-113      |
| Statement of Income            | 114-117      |
| Statement of Retained Earnings | 118-119      |
| Statement of Cash Flows        | 120-121      |
| Notes to Financial Statements  | 122-123      |

- e) The following format must be used for the CPA Certification Statement unless unusual circumstances or conditions, explained in the letter or report, demand that it be varied. Insert parenthetical phrases only when exceptions are reported.

"In connection with our regular examination of the financial statements of \_\_\_\_\_ for the year ended on which we have reported separately under date of \_\_\_\_\_, we have also reviewed schedules \_\_\_\_\_ of FERC Form No. 1 for the year filed with the Federal Energy Regulatory Commission, for conformity in all material respects with the requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases. Our review for this purpose included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Based on our review, in our opinion the accompanying schedules identified in the preceding paragraph (except as noted below) conform in all material respects with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases."

The letter or report must state which, if any, of the pages above do not conform to the Commission's requirements. Describe the discrepancies that exist.

- (f) Filers are encouraged to file their Annual Report to Stockholders, and the CPA Certification Statement using eFiling. To further that effort, new selections, "Annual Report to Stockholders," and "CPA Certification Statement" have been added to the dropdown "pick list" from which companies must choose when eFiling. Further instructions are found on the Commission's website at <http://www.ferc.gov/help/how-to.asp>.

- (g) Federal, State and Local Governments and other authorized users may obtain additional blank copies of FERC Form 1 and 3-Q free of charge from <http://www.ferc.gov/docs-filing/forms/form-1/form-1.pdf> and <http://www.ferc.gov/docs-filing/forms.asp#3Q-gas>.

#### **IV. When to Submit:**

FERC Forms 1 and 3-Q must be filed by the following schedule:

- a) FERC Form 1 for each year ending December 31 must be filed by April 18<sup>th</sup> of the following year (18 CFR § 141.1), and
- b) FERC Form 3-Q for each calendar quarter must be filed within 60 days after the reporting quarter (18 C.F.R. § 141.400).

**V. Where to Send Comments on Public Reporting Burden.**

The public reporting burden for the FERC Form 1 collection of information is estimated to average 1,168 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data-needed, and completing and reviewing the collection of information. The public reporting burden for the FERC Form 3-Q collection of information is estimated to average 168 hours per response.

Send comments regarding these burden estimates or any aspect of these collections of information, including suggestions for reducing burden, to the Federal Energy Regulatory Commission, 888 First Street NE, Washington, DC 20426 (Attention: Information Clearance Officer); and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503 (Attention: Desk Officer for the Federal Energy Regulatory Commission). No person shall be subject to any penalty if any collection of information does not display a valid control number (44 U.S.C. § 3512 (a)).

## GENERAL INSTRUCTIONS

- I. Prepare this report in conformity with the Uniform System of Accounts (18 CFR Part 101) (USofA). Interpret all accounting words and phrases in accordance with the USofA.
- II. Enter in whole numbers (dollars or MWH) only, except where otherwise noted. (Enter cents for averages and figures per unit where cents are important. The truncating of cents is allowed except on the four basic financial statements where rounding is required.) The amounts shown on all supporting pages must agree with the amounts entered on the statements that they support. When applying thresholds to determine significance for reporting purposes, use for balance sheet accounts the balances at the end of the current reporting period, and use for statement of income accounts the current year's year to date amounts.
- III. Complete each question fully and accurately, even if it has been answered in a previous report. Enter the word "None" where it truly and completely states the fact.
- IV. For any page(s) that is not applicable to the respondent, omit the page(s) and enter "NA," "NONE," or "Not Applicable" in column (d) on the List of Schedules, pages 2 and 3.
- V. Enter the month, day, and year for all dates. Use customary abbreviations. **The "Date of Report" included in the header of each page is to be completed only for resubmissions** (see VII. below).
- VI. Generally, except for certain schedules, all numbers, whether they are expected to be debits or credits, must be reported as positive. Numbers having a sign that is different from the expected sign must be reported by enclosing the numbers in parentheses.
- VII. For any resubmissions, submit the electronic filing using the form submission software only. Please explain the reason for the resubmission in a footnote to the data field.
- VIII. Do not make references to reports of previous periods/years or to other reports in lieu of required entries, except as specifically authorized.
- IX. Wherever (schedule) pages refer to figures from a previous period/year, the figures reported must be based upon those shown by the report of the previous period/year, or an appropriate explanation given as to why the different figures were used.

Definitions for statistical classifications used for completing schedules for transmission system reporting are as follows:

FNS - Firm Network Transmission Service for Self. "Firm" means service that can not be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. "Network Service" is Network Transmission Service as described in Order No. 888 and the Open Access Transmission Tariff. "Self" means the respondent.

FNO - Firm Network Service for Others. "Firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. "Network Service" is Network Transmission Service as described in Order No. 888 and the Open Access Transmission Tariff.

LFP - for Long-Term Firm Point-to-Point Transmission Reservations. "Long-Term" means one year or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. "Point-to-Point Transmission Reservations" are described in Order No. 888 and the Open Access Transmission Tariff. For all transactions identified as LFP, provide in a footnote the



termination date of the contract defined as the earliest date either buyer or seller can unilaterally cancel the contract.

OLF - Other Long-Term Firm Transmission Service. Report service provided under contracts which do not conform to the terms of the Open Access Transmission Tariff. "Long-Term" means one year or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. For all transactions identified as OLF, provide in a footnote the termination date of the contract defined as the earliest date either buyer or seller can unilaterally get out of the contract.

SFP - Short-Term Firm Point-to-Point Transmission Reservations. Use this classification for all firm point-to-point transmission reservations, where the duration of each period of reservation is less than one-year.

NF - Non-Firm Transmission Service, where firm means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions.

OS - Other Transmission Service. Use this classification only for those services which can not be placed in the above-mentioned classifications, such as all other service regardless of the length of the contract and service FERC Form. Describe the type of service in a footnote for each entry.

AD - Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment.

#### DEFINITIONS

I. Commission Authorization (Comm. Auth.) -- The authorization of the Federal Energy Regulatory Commission, or any other Commission. Name the commission whose authorization was obtained and give date of the authorization.

II. Respondent -- The person, corporation, licensee, agency, authority, or other Legal entity or instrumentality in whose behalf the report is made.

## EXCERPTS FROM THE LAW

### Federal Power Act, 16 U.S.C. § 791a-825r

Sec. 3. The words defined in this section shall have the following meanings for purposes of this Act, to with:

(3) 'Corporation' means any corporation, joint-stock company, partnership, association, business trust, organized group of persons, whether incorporated or not, or a receiver or receivers, trustee or trustees of any of the foregoing. It shall not include 'municipalities, as hereinafter defined;

(4) 'Person' means an individual or a corporation;

(5) 'Licensee, means any person, State, or municipality Licensed under the provisions of section 4 of this Act, and any assignee or successor in interest thereof;

(7) 'municipality means a city, county, irrigation district, drainage district, or other political subdivision or agency of a State competent under the Laws thereof to carry and the business of developing, transmitting, unitizing, or distributing power; .....

(11) "project' means. a complete unit of improvement or development, consisting of a power house, all water conduits, all dams and appurtenant works and structures (including navigation structures) which are a part of said unit, and all storage, diverting, or fore bay reservoirs directly connected therewith, the primary line or lines transmitting power there from to the point of junction with the distribution system or with the interconnected primary transmission system, all miscellaneous structures used and useful in connection with said unit or any part thereof, and all water rights, rights-of-way, ditches, dams, reservoirs, Lands, or interest in Lands the use and occupancy of which are necessary or appropriate in the maintenance and operation of such unit;

"Sec. 4. The Commission is hereby authorized and empowered

(a) To make investigations and to collect and record data concerning the utilization of the water 'resources of any region to be developed, the water-power industry and its relation to other industries and to interstate or foreign commerce, and concerning the location, capacity, development -costs, and relation to markets of power sites; ... to the extent the Commission may deem necessary or useful for the purposes of this Act."

"Sec. 304. (a) Every Licensee and every public utility shall file with the Commission such annual and other periodic or special\* reports as the Commission may be rules and regulations or other prescribe as necessary or appropriate to assist the Commission in the -proper administration of this Act. The Commission may prescribe the manner and FERC Form in which such reports salt be made, and require from such persons specific answers to all questions upon which the Commission may need information. The Commission may require that such reports shall include, among other things, full information as to assets and Liabilities, capitalization, net investment, and reduction thereof, gross receipts, interest due and paid, depreciation, and other reserves, cost of project and other facilities, cost of maintenance and operation of the project and other facilities, cost of renewals and replacement of the project works and other facilities, depreciation, generation, transmission, distribution, delivery, use, and sale of electric energy. The Commission may require any such person to make adequate provision for currently determining such costs and other facts. Such reports shall be made under oath unless the Commission otherwise specifies\*.10

"Sec. 309. The Commission shall have power to perform any and all acts, and to prescribe, issue, make, and rescind such orders, rules and regulations as it may find necessary or appropriate to carry out the provisions of this Act. Among other things, such rules and regulations may define accounting, technical, and trade terms used in this Act; and may prescribe the FERC Form or FERC Forms of all statements, declarations, applications, and reports to be filed with the Commission, the information which they shall contain, and the time within which they shall be filed..."

#### **General Penalties**

The Commission may assess up to \$1 million per day per violation of its rules and regulations. *See* FPA § 316(a) (2005), 16 U.S.C. § 825o(a).

**FERC FORM NO. 1/3-Q:  
REPORT OF MAJOR ELECTRIC UTILITIES, LICENSEES AND OTHER**

| IDENTIFICATION                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                           |                                                   |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|
| 01 Exact Legal Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                           | 02 Year/Period of Report<br>End of <u>2019/Q4</u> |
| 03 Previous Name and Date of Change (if name changed during year)<br><br>/ /                                                                                                                                                                                                                                                                                                                                            |                                                                                                                           |                                                   |
| 04 Address of Principal Office at End of Period (Street, City, State, Zip Code)<br>215 South Cascade Street, PO Box 496, Fergus Falls, MN 56538-0496                                                                                                                                                                                                                                                                    |                                                                                                                           |                                                   |
| 05 Name of Contact Person<br>Janelle Johnson                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                           | 06 Title of Contact Person<br>Controller, Utility |
| 07 Address of Contact Person (Street, City, State, Zip Code)<br>PO Box 496, Fergus Falls, MN 56538-0496                                                                                                                                                                                                                                                                                                                 |                                                                                                                           |                                                   |
| 08 Telephone of Contact Person, Including Area Code<br>(218) 739-8758                                                                                                                                                                                                                                                                                                                                                   | 09 This Report Is<br>(1) <input checked="" type="checkbox"/> An Original      (2) <input type="checkbox"/> A Resubmission | 10 Date of Report<br>(Mo, Da, Yr)<br>12/31/2019   |
| ANNUAL CORPORATE OFFICER CERTIFICATION                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                           |                                                   |
| <p>The undersigned officer certifies that:</p> <p>I have examined this report and to the best of my knowledge, information, and belief all statements of fact contained in this report are correct statements of the business affairs of the respondent and the financial statements, and other financial information contained in this report, conform in all material respects to the Uniform System of Accounts.</p> |                                                                                                                           |                                                   |
| 01 Name<br>Todd Wahlund                                                                                                                                                                                                                                                                                                                                                                                                 | 03 Signature<br><br>Todd Wahlund                                                                                          | 04 Date Signed<br>(Mo, Da, Yr)<br>04/14/2020      |
| 02 Title<br>Chief Financial Officer                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                           |                                                   |
| <p>Title 18, U.S.C. 1001 makes it a crime for any person to knowingly and willingly to make to any Agency or Department of the United States any false, fictitious or fraudulent statements as to any matter within its jurisdiction.</p>                                                                                                                                                                               |                                                                                                                           |                                                   |

| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                 |                                                                        | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------|-----------------------------------------|
| LIST OF SCHEDULES (Electric Utility)                                                                                                                                                                                           |                                                                        |                                                                                                                       |                                              |                                         |
| Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA". |                                                                        |                                                                                                                       |                                              |                                         |
| Line No.                                                                                                                                                                                                                       | Title of Schedule<br>(a)                                               | Reference Page No.<br>(b)                                                                                             | Remarks<br>(c)                               |                                         |
| 1                                                                                                                                                                                                                              | General Information                                                    | 101                                                                                                                   |                                              |                                         |
| 2                                                                                                                                                                                                                              | Control Over Respondent                                                | 102                                                                                                                   |                                              |                                         |
| 3                                                                                                                                                                                                                              | Corporations Controlled by Respondent                                  | 103                                                                                                                   | Not Applicable                               |                                         |
| 4                                                                                                                                                                                                                              | Officers                                                               | 104                                                                                                                   |                                              |                                         |
| 5                                                                                                                                                                                                                              | Directors                                                              | 105                                                                                                                   |                                              |                                         |
| 6                                                                                                                                                                                                                              | Information on Formula Rates                                           | 106(a)(b)                                                                                                             |                                              |                                         |
| 7                                                                                                                                                                                                                              | Important Changes During the Year                                      | 108-109                                                                                                               |                                              |                                         |
| 8                                                                                                                                                                                                                              | Comparative Balance Sheet                                              | 110-113                                                                                                               |                                              |                                         |
| 9                                                                                                                                                                                                                              | Statement of Income for the Year                                       | 114-117                                                                                                               |                                              |                                         |
| 10                                                                                                                                                                                                                             | Statement of Retained Earnings for the Year                            | 118-119                                                                                                               |                                              |                                         |
| 11                                                                                                                                                                                                                             | Statement of Cash Flows                                                | 120-121                                                                                                               |                                              |                                         |
| 12                                                                                                                                                                                                                             | Notes to Financial Statements                                          | 122-123                                                                                                               |                                              |                                         |
| 13                                                                                                                                                                                                                             | Statement of Accum Comp Income, Comp Income, and Hedging Activities    | 122(a)(b)                                                                                                             |                                              |                                         |
| 14                                                                                                                                                                                                                             | Summary of Utility Plant & Accumulated Provisions for Dep, Amort & Dep | 200-201                                                                                                               |                                              |                                         |
| 15                                                                                                                                                                                                                             | Nuclear Fuel Materials                                                 | 202-203                                                                                                               | Not Applicable                               |                                         |
| 16                                                                                                                                                                                                                             | Electric Plant in Service                                              | 204-207                                                                                                               |                                              |                                         |
| 17                                                                                                                                                                                                                             | Electric Plant Leased to Others                                        | 213                                                                                                                   | Not Applicable                               |                                         |
| 18                                                                                                                                                                                                                             | Electric Plant Held for Future Use                                     | 214                                                                                                                   |                                              |                                         |
| 19                                                                                                                                                                                                                             | Construction Work in Progress-Electric                                 | 216                                                                                                                   |                                              |                                         |
| 20                                                                                                                                                                                                                             | Accumulated Provision for Depreciation of Electric Utility Plant       | 219                                                                                                                   |                                              |                                         |
| 21                                                                                                                                                                                                                             | Investment of Subsidiary Companies                                     | 224-225                                                                                                               | Not Applicable                               |                                         |
| 22                                                                                                                                                                                                                             | Materials and Supplies                                                 | 227                                                                                                                   |                                              |                                         |
| 23                                                                                                                                                                                                                             | Allowances                                                             | 228(ab)-229(ab)                                                                                                       |                                              |                                         |
| 24                                                                                                                                                                                                                             | Extraordinary Property Losses                                          | 230                                                                                                                   | Not Applicable                               |                                         |
| 25                                                                                                                                                                                                                             | Unrecovered Plant and Regulatory Study Costs                           | 230                                                                                                                   |                                              |                                         |
| 26                                                                                                                                                                                                                             | Transmission Service and Generation Interconnection Study Costs        | 231                                                                                                                   |                                              |                                         |
| 27                                                                                                                                                                                                                             | Other Regulatory Assets                                                | 232                                                                                                                   |                                              |                                         |
| 28                                                                                                                                                                                                                             | Miscellaneous Deferred Debits                                          | 233                                                                                                                   |                                              |                                         |
| 29                                                                                                                                                                                                                             | Accumulated Deferred Income Taxes                                      | 234                                                                                                                   |                                              |                                         |
| 30                                                                                                                                                                                                                             | Capital Stock                                                          | 250-251                                                                                                               |                                              |                                         |
| 31                                                                                                                                                                                                                             | Other Paid-in Capital                                                  | 253                                                                                                                   |                                              |                                         |
| 32                                                                                                                                                                                                                             | Capital Stock Expense                                                  | 254                                                                                                                   | Not Applicable                               |                                         |
| 33                                                                                                                                                                                                                             | Long-Term Debt                                                         | 256-257                                                                                                               |                                              |                                         |
| 34                                                                                                                                                                                                                             | Reconciliation of Reported Net Income with Taxable Inc for Fed Inc Tax | 261                                                                                                                   |                                              |                                         |
| 35                                                                                                                                                                                                                             | Taxes Accrued, Prepaid and Charged During the Year                     | 262-263                                                                                                               |                                              |                                         |
| 36                                                                                                                                                                                                                             | Accumulated Deferred Investment Tax Credits                            | 266-267                                                                                                               |                                              |                                         |
|                                                                                                                                                                                                                                |                                                                        |                                                                                                                       |                                              |                                         |



| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                 |                                                                     | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |                | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------|----------------------------------------------|-----------------------------------------|
| LIST OF SCHEDULES (Electric Utility) (continued)                                                                                                                                                                               |                                                                     |                                                                                                                       |                |                                              |                                         |
| Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA". |                                                                     |                                                                                                                       |                |                                              |                                         |
| Line No.                                                                                                                                                                                                                       | Title of Schedule<br>(a)                                            | Reference Page No.<br>(b)                                                                                             | Remarks<br>(c) |                                              |                                         |
| 37                                                                                                                                                                                                                             | Other Deferred Credits                                              | 269                                                                                                                   |                |                                              |                                         |
| 38                                                                                                                                                                                                                             | Accumulated Deferred Income Taxes-Accelerated Amortization Property | 272-273                                                                                                               |                |                                              |                                         |
| 39                                                                                                                                                                                                                             | Accumulated Deferred Income Taxes-Other Property                    | 274-275                                                                                                               |                |                                              |                                         |
| 40                                                                                                                                                                                                                             | Accumulated Deferred Income Taxes-Other                             | 276-277                                                                                                               |                |                                              |                                         |
| 41                                                                                                                                                                                                                             | Other Regulatory Liabilities                                        | 278                                                                                                                   |                |                                              |                                         |
| 42                                                                                                                                                                                                                             | Electric Operating Revenues                                         | 300-301                                                                                                               |                |                                              |                                         |
| 43                                                                                                                                                                                                                             | Regional Transmission Service Revenues (Account 457.1)              | 302                                                                                                                   | Not Applicable |                                              |                                         |
| 44                                                                                                                                                                                                                             | Sales of Electricity by Rate Schedules                              | 304                                                                                                                   |                |                                              |                                         |
| 45                                                                                                                                                                                                                             | Sales for Resale                                                    | 310-311                                                                                                               |                |                                              |                                         |
| 46                                                                                                                                                                                                                             | Electric Operation and Maintenance Expenses                         | 320-323                                                                                                               |                |                                              |                                         |
| 47                                                                                                                                                                                                                             | Purchased Power                                                     | 326-327                                                                                                               |                |                                              |                                         |
| 48                                                                                                                                                                                                                             | Transmission of Electricity for Others                              | 328-330                                                                                                               |                |                                              |                                         |
| 49                                                                                                                                                                                                                             | Transmission of Electricity by ISO/RTOs                             | 331                                                                                                                   | Not Applicable |                                              |                                         |
| 50                                                                                                                                                                                                                             | Transmission of Electricity by Others                               | 332                                                                                                                   |                |                                              |                                         |
| 51                                                                                                                                                                                                                             | Miscellaneous General Expenses-Electric                             | 335                                                                                                                   |                |                                              |                                         |
| 52                                                                                                                                                                                                                             | Depreciation and Amortization of Electric Plant                     | 336-337                                                                                                               |                |                                              |                                         |
| 53                                                                                                                                                                                                                             | Regulatory Commission Expenses                                      | 350-351                                                                                                               |                |                                              |                                         |
| 54                                                                                                                                                                                                                             | Research, Development and Demonstration Activities                  | 352-353                                                                                                               |                |                                              |                                         |
| 55                                                                                                                                                                                                                             | Distribution of Salaries and Wages                                  | 354-355                                                                                                               |                |                                              |                                         |
| 56                                                                                                                                                                                                                             | Common Utility Plant and Expenses                                   | 356                                                                                                                   | Not Applicable |                                              |                                         |
| 57                                                                                                                                                                                                                             | Amounts included in ISO/RTO Settlement Statements                   | 397                                                                                                                   |                |                                              |                                         |
| 58                                                                                                                                                                                                                             | Purchase and Sale of Ancillary Services                             | 398                                                                                                                   |                |                                              |                                         |
| 59                                                                                                                                                                                                                             | Monthly Transmission System Peak Load                               | 400                                                                                                                   |                |                                              |                                         |
| 60                                                                                                                                                                                                                             | Monthly ISO/RTO Transmission System Peak Load                       | 400a                                                                                                                  | Not Applicable |                                              |                                         |
| 61                                                                                                                                                                                                                             | Electric Energy Account                                             | 401                                                                                                                   |                |                                              |                                         |
| 62                                                                                                                                                                                                                             | Monthly Peaks and Output                                            | 401                                                                                                                   |                |                                              |                                         |
| 63                                                                                                                                                                                                                             | Steam Electric Generating Plant Statistics                          | 402-403                                                                                                               |                |                                              |                                         |
| 64                                                                                                                                                                                                                             | Hydroelectric Generating Plant Statistics                           | 406-407                                                                                                               | Not Applicable |                                              |                                         |
| 65                                                                                                                                                                                                                             | Pumped Storage Generating Plant Statistics                          | 408-409                                                                                                               | Not Applicable |                                              |                                         |
| 66                                                                                                                                                                                                                             | Generating Plant Statistics Pages                                   | 410-411                                                                                                               |                |                                              |                                         |
|                                                                                                                                                                                                                                |                                                                     |                                                                                                                       |                |                                              |                                         |

| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                 |                                                                                                                                                                                           | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |                | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------|----------------------------------------------|-----------------------------------------|
| LIST OF SCHEDULES (Electric Utility) (continued)                                                                                                                                                                               |                                                                                                                                                                                           |                                                                                                                       |                |                                              |                                         |
| Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA". |                                                                                                                                                                                           |                                                                                                                       |                |                                              |                                         |
| Line No.                                                                                                                                                                                                                       | Title of Schedule<br>(a)                                                                                                                                                                  | Reference Page No.<br>(b)                                                                                             | Remarks<br>(c) |                                              |                                         |
| 67                                                                                                                                                                                                                             | Transmission Line Statistics Pages                                                                                                                                                        | 422-423                                                                                                               |                |                                              |                                         |
| 68                                                                                                                                                                                                                             | Transmission Lines Added During the Year                                                                                                                                                  | 424-425                                                                                                               |                |                                              |                                         |
| 69                                                                                                                                                                                                                             | Substations                                                                                                                                                                               | 426-427                                                                                                               |                |                                              |                                         |
| 70                                                                                                                                                                                                                             | Transactions with Associated (Affiliated) Companies                                                                                                                                       | 429                                                                                                                   |                |                                              |                                         |
| 71                                                                                                                                                                                                                             | Footnote Data                                                                                                                                                                             | 450                                                                                                                   |                |                                              |                                         |
|                                                                                                                                                                                                                                | Stockholders' Reports Check appropriate box:<br><input type="checkbox"/> Two copies will be submitted<br><input checked="" type="checkbox"/> No annual report to stockholders is prepared |                                                                                                                       |                |                                              |                                         |

|                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                       |                                              |                                                |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------|------------------------------------------------|
| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                  | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of <u>2019/Q4</u> |
| GENERAL INFORMATION                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                       |                                              |                                                |
| 1. Provide name and title of officer having custody of the general corporate books of account and address of office where the general corporate books are kept, and address of office where any other corporate books of account are kept, if different from that where the general corporate books are kept.<br><br>Janelle Johnson, Controller-Utility<br>215 South Cascade Street, PO Box 496<br>Fergus Falls, MN 56538-0496 |                                                                                                                       |                                              |                                                |
| 2. Provide the name of the State under the laws of which respondent is incorporated, and date of incorporation. If incorporated under a special law, give reference to such law. If not incorporated, state that fact and give the type of organization and the date organized.<br><br>Minnesota - July 5, 1907                                                                                                                 |                                                                                                                       |                                              |                                                |
| 3. If at any time during the year the property of respondent was held by a receiver or trustee, give (a) name of receiver or trustee, (b) date such receiver or trustee took possession, (c) the authority by which the receivership or trusteeship was created, and (d) date when possession by receiver or trustee ceased.<br><br>Not Applicable                                                                              |                                                                                                                       |                                              |                                                |
| 4. State the classes or utility and other services furnished by respondent during the year in each State in which the respondent operated.<br><br>Minnesota - Electric<br>North Dakota - Electric<br>South Dakota - Electric                                                                                                                                                                                                    |                                                                                                                       |                                              |                                                |
| 5. Have you engaged as the principal accountant to audit your financial statements an accountant who is not the principal accountant for your previous year's certified financial statements?<br><br>(1) <input type="checkbox"/> Yes...Enter the date when such independent accountant was initially engaged:<br>(2) <input checked="" type="checkbox"/> No                                                                    |                                                                                                                       |                                              |                                                |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                       |                                              |                                                |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------|------------------------------------------------|
| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of <u>2019/Q4</u> |
| <b>CONTROL OVER RESPONDENT</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                       |                                              |                                                |
| <p>1. If any corporation, business trust, or similar organization or a combination of such organizations jointly held control over the respondent at the end of the year, state name of controlling corporation or organization, manner in which control was held, and extent of control. If control was in a holding company organization, show the chain of ownership or control to the main parent company or organization. If control was held by a trustee(s), state name of trustee(s), name of beneficiary or beneficiaries for whom trust was maintained, and purpose of the trust.</p> |                                                                                                                       |                                              |                                                |
| Otter Tail Corporation, a registered holding company, owns all of the common stock of the respondent.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                       |                                              |                                                |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                       |                                              |                                                |

| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | This Report Is:<br>(1) <input checked="checked" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |                      |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|-----------------------------------------|----------------------|
| CORPORATIONS CONTROLLED BY RESPONDENT                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                              |                                              |                                         |                      |
| 1. Report below the names of all corporations, business trusts, and similar organizations, controlled directly or indirectly by respondent at any time during the year. If control ceased prior to end of year, give particulars (details) in a footnote.<br>2. If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediaries involved.<br>3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.                                                                                                                                                                                                                                                               |                                                                                                                              |                                              |                                         |                      |
| <b>Definitions</b><br>1. See the Uniform System of Accounts for a definition of control.<br>2. Direct control is that which is exercised without interposition of an intermediary.<br>3. Indirect control is that which is exercised by the interposition of an intermediary which exercises direct control.<br>4. Joint control is that in which neither interest can effectively control or direct action without the consent of the other, as where the voting control is equally divided between two holders, or each party holds a veto power over the other. Joint control may exist by mutual agreement or understanding between two or more parties who together have control within the meaning of the definition of control in the Uniform System of Accounts, regardless of the relative voting rights of each party. |                                                                                                                              |                                              |                                         |                      |
| Line No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Name of Company Controlled<br>(a)                                                                                            | Kind of Business<br>(b)                      | Percent Voting Stock Owned<br>(c)       | Footnote Ref.<br>(d) |
| 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Not applicable.                                                                                                              |                                              |                                         |                      |
| 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                              |                                              |                                         |                      |
| 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                              |                                              |                                         |                      |
| 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                              |                                              |                                         |                      |
| 5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                              |                                              |                                         |                      |
| 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                              |                                              |                                         |                      |
| 7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                              |                                              |                                         |                      |
| 8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                              |                                              |                                         |                      |
| 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                              |                                              |                                         |                      |
| 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                              |                                              |                                         |                      |
| 11                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                              |                                              |                                         |                      |
| 12                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                              |                                              |                                         |                      |
| 13                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                              |                                              |                                         |                      |
| 14                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                              |                                              |                                         |                      |
| 15                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                              |                                              |                                         |                      |
| 16                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                              |                                              |                                         |                      |
| 17                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                              |                                              |                                         |                      |
| 18                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                              |                                              |                                         |                      |
| 19                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                              |                                              |                                         |                      |
| 20                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                              |                                              |                                         |                      |
| 21                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                              |                                              |                                         |                      |
| 22                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                              |                                              |                                         |                      |
| 23                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                              |                                              |                                         |                      |
| 24                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                              |                                              |                                         |                      |
| 25                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                              |                                              |                                         |                      |
| 26                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                              |                                              |                                         |                      |
| 27                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                              |                                              |                                         |                      |



| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                      | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------|-----------------------------------------|
| OFFICERS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                      |                                                                                                                       |                                              |                                         |
| <p>1. Report below the name, title and salary for each executive officer whose salary is \$50,000 or more. An "executive officer" of a respondent includes its president, secretary, treasurer, and vice president in charge of a principal business unit, division or function (such as sales, administration or finance), and any other person who performs similar policy making functions.</p> <p>2. If a change was made during the year in the incumbent of any position, show name and total remuneration of the previous incumbent, and the date the change in incumbency was made.</p> |                                                      |                                                                                                                       |                                              |                                         |
| Line No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Title<br>(a)                                         | Name of Officer<br>(b)                                                                                                | Salary for Year<br>(c)                       |                                         |
| 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Chief Executive Officer, Utility * **                | Charles S. MacFarlane                                                                                                 | 406,000                                      |                                         |
| 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                      |                                                                                                                       |                                              |                                         |
| 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | President, Utility                                   | Timothy J. Rogelstad                                                                                                  | 381,100                                      |                                         |
| 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                      |                                                                                                                       |                                              |                                         |
| 5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Vice President, Customer Service [1]                 | Mark H. Helland                                                                                                       | 66,667                                       |                                         |
| 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                      |                                                                                                                       |                                              |                                         |
| 7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Vice President, Customer Service [2]                 | Steve J. Schoeneck                                                                                                    | 127,800                                      |                                         |
| 8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                      |                                                                                                                       |                                              |                                         |
| 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Chief Financial Officer                              | Todd R. Wahlund                                                                                                       | 237,879                                      |                                         |
| 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                      |                                                                                                                       |                                              |                                         |
| 11                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Vice President, Regulatory Affairs                   | Bruce G. Gerhardson                                                                                                   | 191,932                                      |                                         |
| 12                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                      |                                                                                                                       |                                              |                                         |
| 13                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | General Counsel & Vice President, Legal Affairs * ** | Jennifer O. Smestad                                                                                                   | 200,600                                      |                                         |
| 14                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                      |                                                                                                                       |                                              |                                         |
| 15                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Vice President, Asset Management                     | JoAnn M. Thompson                                                                                                     | 187,356                                      |                                         |
| 16                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                      |                                                                                                                       |                                              |                                         |
| 17                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Vice President, Energy Supply                        | Bradley E. Tollerson                                                                                                  | 216,979                                      |                                         |
| 18                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                      |                                                                                                                       |                                              |                                         |
| 19                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Director, Human Resources & Safety                   | Peter E. Wasberg                                                                                                      | 184,455                                      |                                         |
| 20                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                      |                                                                                                                       |                                              |                                         |
| 21                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Vice President, Information Technology * **          | Don L. Redden                                                                                                         | 168,000                                      |                                         |
| 22                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                      |                                                                                                                       |                                              |                                         |
| 23                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Director, Public Relations                           | Stephanie A. Hoff                                                                                                     | 147,750                                      |                                         |
| 24                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                      |                                                                                                                       |                                              |                                         |
| 25                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Treasurer * **                                       | Kevin G. Moug                                                                                                         | 260,672                                      |                                         |
| 26                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                      |                                                                                                                       |                                              |                                         |
| 27                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Assistant Treasurer * **                             | Andrew C. Miller                                                                                                      | 94,050                                       |                                         |
| 28                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                      |                                                                                                                       |                                              |                                         |
| 29                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                      |                                                                                                                       |                                              |                                         |
| 30                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                      |                                                                                                                       |                                              |                                         |
| 31                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                      |                                                                                                                       |                                              |                                         |
| 32                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                      |                                                                                                                       |                                              |                                         |
| 33                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                      |                                                                                                                       |                                              |                                         |
| 34                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | * This individual is an employee of                  |                                                                                                                       |                                              |                                         |
| 35                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Otter Tail Corporation.                              |                                                                                                                       |                                              |                                         |
| 36                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | ** Portion of salary allocated to the Utility.       |                                                                                                                       |                                              |                                         |
| 37                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                      |                                                                                                                       |                                              |                                         |
| 38                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | [1] Removed effective 04/08/19                       |                                                                                                                       |                                              |                                         |
| 39                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | [2] Effective 04/09/19                               |                                                                                                                       |                                              |                                         |
| 40                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                      |                                                                                                                       |                                              |                                         |
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|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|--|----------------------------------------------|-----------------------------------------|
| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                    |                                                    | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |  | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |
| DIRECTORS                                                                                                                                                                                                                         |                                                    |                                                                                                                       |  |                                              |                                         |
| 1. Report below the information called for concerning each director of the respondent who held office at any time during the year. Include in column (a), abbreviated titles of the directors who are officers of the respondent. |                                                    |                                                                                                                       |  |                                              |                                         |
| 2. Designate members of the Executive Committee by a triple asterisk and the Chairman of the Executive Committee by a double asterisk.                                                                                            |                                                    |                                                                                                                       |  |                                              |                                         |
| Line No.                                                                                                                                                                                                                          | Name (and Title) of Director<br>(a)                |                                                                                                                       |  | Principal Business Address<br>(b)            |                                         |
| 1                                                                                                                                                                                                                                 |                                                    |                                                                                                                       |  |                                              |                                         |
| 2                                                                                                                                                                                                                                 | Charles S. MacFarlane, Director, and CEO, Utility  |                                                                                                                       |  | Fergus Falls, Minnesota                      |                                         |
| 3                                                                                                                                                                                                                                 |                                                    |                                                                                                                       |  |                                              |                                         |
| 4                                                                                                                                                                                                                                 | Kevin Moug, Director, Treasurer                    |                                                                                                                       |  | Fargo, North Dakota                          |                                         |
| 5                                                                                                                                                                                                                                 |                                                    |                                                                                                                       |  |                                              |                                         |
| 6                                                                                                                                                                                                                                 | Timothy J. Rogelstad, Director, President, Utility |                                                                                                                       |  | Fergus Falls, Minnesota                      |                                         |
| 7                                                                                                                                                                                                                                 |                                                    |                                                                                                                       |  |                                              |                                         |
| 8                                                                                                                                                                                                                                 | John Abbott, Director                              |                                                                                                                       |  | Fargo, North Dakota                          |                                         |
| 9                                                                                                                                                                                                                                 |                                                    |                                                                                                                       |  |                                              |                                         |
| 10                                                                                                                                                                                                                                | Jennifer O. Smestad, Director, Secretary           |                                                                                                                       |  | Fergus Falls, Minnesota                      |                                         |
| 11                                                                                                                                                                                                                                |                                                    |                                                                                                                       |  |                                              |                                         |
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| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                 |                                                  | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019                           | Year/Period of Report<br>End of 2019/Q4 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|-----------------------------------------|
| INFORMATION ON FORMULA RATES<br>FERC Rate Schedule/Tariff Number FERC Proceeding                                                                                                               |                                                  |                                                                                                                       |                                                                        |                                         |
| Does the respondent have formula rates?                                                                                                                                                        |                                                  |                                                                                                                       | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No |                                         |
| 1. Please list the Commission accepted formula rates including FERC Rate Schedule or Tariff Number and FERC proceeding (i.e. Docket No) accepting the rate(s) or changes in the accepted rate. |                                                  |                                                                                                                       |                                                                        |                                         |
| Line No.                                                                                                                                                                                       | FERC Rate Schedule or Tariff Number              | FERC Proceeding                                                                                                       |                                                                        |                                         |
| 1                                                                                                                                                                                              | MISO FERC Electric Tariff Original Vol. No. 1    | ER98-1438-000                                                                                                         |                                                                        |                                         |
| 2                                                                                                                                                                                              | MISO FERC Electric Tariff 2nd Revised Vol. No. 1 | ER04-895-000                                                                                                          |                                                                        |                                         |
| 3                                                                                                                                                                                              | MISO FERC Electric Tariff 2nd Revised Vol. No. 1 | ER05-122-000                                                                                                          |                                                                        |                                         |
| 4                                                                                                                                                                                              | MISO FERC Electric Tariff 3rd Revised Vol. No. 1 | ER04-458-008                                                                                                          |                                                                        |                                         |
| 5                                                                                                                                                                                              | MISO FERC Electric Tariff 3rd Revised Vol. No. 1 | ER06-18-000                                                                                                           |                                                                        |                                         |
| 6                                                                                                                                                                                              | MISO FERC Electric Tariff 3rd Revised Vol. No. 1 | ER06-159-000                                                                                                          |                                                                        |                                         |
| 7                                                                                                                                                                                              | MISO FERC Electric Tariff 3rd Revised Vol. No. 1 | ER09-91-000                                                                                                           |                                                                        |                                         |
| 8                                                                                                                                                                                              | MISO FERC Electric Tariff 4th Revised Vol. No. 1 | ER09-1657-000                                                                                                         |                                                                        |                                         |
| 9                                                                                                                                                                                              | MISO FERC Electric Tariff 4th Revised Vol. No. 1 | ER09-1779-000                                                                                                         |                                                                        |                                         |
| 10                                                                                                                                                                                             | MISO FERC Electric Tariff 4th Revised Vol. No. 1 | ER10-183                                                                                                              |                                                                        |                                         |
| 11                                                                                                                                                                                             | MISO FERC Electric Tariff 4th Revised Vol. No. 1 | ER10-686                                                                                                              |                                                                        |                                         |
| 12                                                                                                                                                                                             | MISO FERC Electric Tariff 4th Revised Vol. No. 1 | ER10-1492-000                                                                                                         |                                                                        |                                         |
| 13                                                                                                                                                                                             | MISO FERC Electric Tariff 4th Revised Vol. No. 1 | ER10-1791                                                                                                             |                                                                        |                                         |
| 14                                                                                                                                                                                             | MISO FERC Electric Tariff 5th Revised Vol. No. 1 | ER10-1997-000;001                                                                                                     |                                                                        |                                         |
| 15                                                                                                                                                                                             | MISO FERC Electric Tariff 5th Revised Vol. No. 1 | ER11-28-000;001                                                                                                       |                                                                        |                                         |
| 16                                                                                                                                                                                             | MISO FERC Electric Tariff 5th Revised Vol. No. 1 | ER11-3279-000                                                                                                         |                                                                        |                                         |
| 17                                                                                                                                                                                             | MISO FERC Electric Tariff 5th Revised Vol. No. 1 | ER11-3704-000                                                                                                         |                                                                        |                                         |
| 18                                                                                                                                                                                             | MISO FERC Electric Tariff 5th Revised Vol. No. 1 | ER12-297-000                                                                                                          |                                                                        |                                         |
| 19                                                                                                                                                                                             | MISO FERC Electric Tariff 5th Revised Vol. No. 1 | ER12-312-000                                                                                                          |                                                                        |                                         |
| 20                                                                                                                                                                                             | MISO FERC Electric Tariff 5th Revised Vol. No. 1 | ER12-334-000                                                                                                          |                                                                        |                                         |
| 21                                                                                                                                                                                             | MISO FERC Electric Tariff 5th Revised Vol. No. 1 | ER12-450-000                                                                                                          |                                                                        |                                         |
| 22                                                                                                                                                                                             | MISO FERC Electric Tariff 5th Revised Vol. No. 1 | ER12-715-000;002                                                                                                      |                                                                        |                                         |
| 23                                                                                                                                                                                             | MISO FERC Electric Tariff 5th Revised Vol. No. 1 | ER12-1667-000                                                                                                         |                                                                        |                                         |
| 24                                                                                                                                                                                             | MISO FERC Electric Tariff 5th Revised Vol. No. 1 | ER13-263-001                                                                                                          |                                                                        |                                         |
| 25                                                                                                                                                                                             | MISO FERC Electric Tariff 5th Revised Vol. No. 1 | ER13-674-000;002                                                                                                      |                                                                        |                                         |
| 26                                                                                                                                                                                             | MISO FERC Electric Tariff 5th Revised Vol. No. 1 | ER13-1169-000                                                                                                         |                                                                        |                                         |
| 27                                                                                                                                                                                             | MISO FERC Electric Tariff 5th Revised Vol. No. 1 | ER13-1169-001                                                                                                         |                                                                        |                                         |
| 28                                                                                                                                                                                             | MISO FERC Electric Tariff                        | ER12-480-006;007                                                                                                      |                                                                        |                                         |
| 29                                                                                                                                                                                             | MISO FERC Electric Tariff                        | ER13-2379-000;003;004                                                                                                 |                                                                        |                                         |
| 30                                                                                                                                                                                             | MISO FERC Electric Tariff                        | ER14-260-000                                                                                                          |                                                                        |                                         |
| 31                                                                                                                                                                                             | MISO FERC Electric Tariff                        | ER14-261-000                                                                                                          |                                                                        |                                         |
| 32                                                                                                                                                                                             | MISO FERC Electric Tariff                        | ER14-421-000;001                                                                                                      |                                                                        |                                         |
| 33                                                                                                                                                                                             | MISO FERC Electric Tariff                        | ER15-358                                                                                                              |                                                                        |                                         |
| 34                                                                                                                                                                                             | MISO FERC Electric Tariff                        | ER15-1490                                                                                                             |                                                                        |                                         |
| 35                                                                                                                                                                                             | MISO FERC Electric Tariff                        | ER16-1313                                                                                                             |                                                                        |                                         |
| 36                                                                                                                                                                                             | MISO FERC Electric Tariff                        | ER16-1534                                                                                                             |                                                                        |                                         |
| 37                                                                                                                                                                                             | MISO FERC Electric Tariff                        | ER16-392                                                                                                              |                                                                        |                                         |
| 38                                                                                                                                                                                             | MISO FERC Electric Tariff                        | ER16-197                                                                                                              |                                                                        |                                         |
| 39                                                                                                                                                                                             | MISO FERC Electric Tariff                        | ER17-1014                                                                                                             |                                                                        |                                         |
| 40                                                                                                                                                                                             | MISO FERC Electric Tariff                        | ER17-1393                                                                                                             |                                                                        |                                         |
| 41                                                                                                                                                                                             | MISO FERC Electric Tariff                        | ER18-867                                                                                                              |                                                                        |                                         |
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| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                 |                                     | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |                 | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019                           | Year/Period of Report<br>End of 2019/Q4 |
| INFORMATION ON FORMULA RATES (continued)<br>FERC Rate Schedule/Tariff Number FERC Proceeding                                                                                                   |                                     |                                                                                                                       |                 |                                                                        |                                         |
| Does the respondent have formula rates?                                                                                                                                                        |                                     |                                                                                                                       |                 | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No |                                         |
| 1. Please list the Commission accepted formula rates including FERC Rate Schedule or Tariff Number and FERC proceeding (i.e. Docket No) accepting the rate(s) or changes in the accepted rate. |                                     |                                                                                                                       |                 |                                                                        |                                         |
| Line No.                                                                                                                                                                                       | FERC Rate Schedule or Tariff Number |                                                                                                                       | FERC Proceeding |                                                                        |                                         |
| 1                                                                                                                                                                                              | MISO FERC Electric Tariff           |                                                                                                                       | ER18-1982       |                                                                        |                                         |
| 2                                                                                                                                                                                              | MISO FERC Electric Tariff           |                                                                                                                       | ER18-1159-000   |                                                                        |                                         |
| 3                                                                                                                                                                                              | MISO FERC Electric Tariff           |                                                                                                                       | ER19-249-000    |                                                                        |                                         |
| 4                                                                                                                                                                                              | MISO FERC Electric Tariff           |                                                                                                                       | ER19-652-000    |                                                                        |                                         |
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| Name of Respondent<br>Otter Tail Power Company                                                                                   |               | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |            | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019                           | Year/Period of Report<br>End of 2019/Q4                       |
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| <p align="center"><b>INFORMATION ON FORMULA RATES</b></p> <p align="center">FERC Rate Schedule/Tariff Number FERC Proceeding</p> |               |                                                                                                                       |            |                                                                        |                                                               |
| Does the respondent file with the Commission annual (or more frequent) filings containing the inputs to the formula rate(s)?     |               |                                                                                                                       |            | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No |                                                               |
| 2. If yes, provide a listing of such filings as contained on the Commission's eLibrary website                                   |               |                                                                                                                       |            |                                                                        |                                                               |
| Line No.                                                                                                                         | Accession No. | Document Date<br>Filed Date                                                                                           | Docket No. | Description                                                            | Formula Rate FERC Rate<br>Schedule Number or<br>Tariff Number |
| 1                                                                                                                                | 20180315-5167 | 03/15/2018                                                                                                            | ER18-1118  | Attachment O Annual Information                                        | MISO FERC Electric Tariff                                     |
| 2                                                                                                                                | 20190315-5163 | 03/15/2019                                                                                                            | ER19-1336  | Attachment O Annual Information                                        | MISO FERC Electric Tariff                                     |
| 3                                                                                                                                |               |                                                                                                                       |            |                                                                        |                                                               |
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| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |             | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |        | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |
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| <b>INFORMATION ON FORMULA RATES</b><br><b>Formula Rate Variances</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |             |                                                                                                                       |        |                                              |                                         |
| 1. If a respondent does not submit such filings then indicate in a footnote to the applicable Form 1 schedule where formula rate inputs differ from amounts reported in the Form 1.<br>2. The footnote should provide a narrative description explaining how the "rate" (or billing) was derived if different from the reported amount in the Form 1.<br>3. The footnote should explain amounts excluded from the ratebase or where labor or other allocation factors, operating expenses, or other items impacting formula rate inputs differ from amounts reported in Form 1 schedule amounts.<br>4. Where the Commission has provided guidance on formula rate inputs, the specific proceeding should be noted in the footnote. |             |                                                                                                                       |        |                                              |                                         |
| Line No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Page No(s). | Schedule                                                                                                              | Column | Line No                                      |                                         |
| 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |             |                                                                                                                       |        |                                              |                                         |
| 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |             |                                                                                                                       |        |                                              |                                         |
| 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |             |                                                                                                                       |        |                                              |                                         |
| 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |             |                                                                                                                       |        |                                              |                                         |
| 5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |             |                                                                                                                       |        |                                              |                                         |
| 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |             |                                                                                                                       |        |                                              |                                         |
| 7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |             |                                                                                                                       |        |                                              |                                         |
| 8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |             |                                                                                                                       |        |                                              |                                         |
| 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |             |                                                                                                                       |        |                                              |                                         |
| 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |             |                                                                                                                       |        |                                              |                                         |
| 11                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |             |                                                                                                                       |        |                                              |                                         |
| 12                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |             |                                                                                                                       |        |                                              |                                         |
| 13                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |             |                                                                                                                       |        |                                              |                                         |
| 14                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |             |                                                                                                                       |        |                                              |                                         |
| 15                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |             |                                                                                                                       |        |                                              |                                         |
| 16                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |             |                                                                                                                       |        |                                              |                                         |
| 17                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |             |                                                                                                                       |        |                                              |                                         |
| 18                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |             |                                                                                                                       |        |                                              |                                         |
| 19                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |             |                                                                                                                       |        |                                              |                                         |
| 20                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |             |                                                                                                                       |        |                                              |                                         |
| 21                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |             |                                                                                                                       |        |                                              |                                         |
| 22                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |             |                                                                                                                       |        |                                              |                                         |
| 23                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |             |                                                                                                                       |        |                                              |                                         |
| 24                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |             |                                                                                                                       |        |                                              |                                         |
| 25                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |             |                                                                                                                       |        |                                              |                                         |
| 26                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |             |                                                                                                                       |        |                                              |                                         |
| 27                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |             |                                                                                                                       |        |                                              |                                         |
| 28                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |             |                                                                                                                       |        |                                              |                                         |
| 29                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |             |                                                                                                                       |        |                                              |                                         |
| 30                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |             |                                                                                                                       |        |                                              |                                         |
| 31                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |             |                                                                                                                       |        |                                              |                                         |
| 32                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |             |                                                                                                                       |        |                                              |                                         |
| 33                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |             |                                                                                                                       |        |                                              |                                         |
| 34                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |             |                                                                                                                       |        |                                              |                                         |
| 35                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |             |                                                                                                                       |        |                                              |                                         |
| 36                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |             |                                                                                                                       |        |                                              |                                         |
| 37                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |             |                                                                                                                       |        |                                              |                                         |
| 38                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |             |                                                                                                                       |        |                                              |                                         |
| 39                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |             |                                                                                                                       |        |                                              |                                         |
| 40                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |             |                                                                                                                       |        |                                              |                                         |
| 41                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |             |                                                                                                                       |        |                                              |                                         |
| 42                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |             |                                                                                                                       |        |                                              |                                         |
| 43                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |             |                                                                                                                       |        |                                              |                                         |
| 44                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |             |                                                                                                                       |        |                                              |                                         |
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| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |
| IMPORTANT CHANGES DURING THE QUARTER/YEAR                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                       |                              |                                         |
| <p>Give particulars (details) concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquiries. Each inquiry should be answered. Enter "none," "not applicable," or "NA" where applicable. If information which answers an inquiry is given elsewhere in the report, make a reference to the schedule in which it appears.</p> <p>1. Changes in and important additions to franchise rights: Describe the actual consideration given therefore and state from whom the franchise rights were acquired. If acquired without the payment of consideration, state that fact.</p> <p>2. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give names of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization.</p> <p>3. Purchase or sale of an operating unit or system: Give a brief description of the property, and of the transactions relating thereto, and reference to Commission authorization, if any was required. Give date journal entries called for by the Uniform System of Accounts were submitted to the Commission.</p> <p>4. Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents, and other condition. State name of Commission authorizing lease and give reference to such authorization.</p> <p>5. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased and give reference to Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service. Each natural gas company must also state major new continuing sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements, etc.</p> <p>6. Obligations incurred as a result of issuance of securities or assumption of liabilities or guarantees including issuance of short-term debt and commercial paper having a maturity of one year or less. Give reference to FERC or State Commission authorization, as appropriate, and the amount of obligation or guarantee.</p> <p>7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.</p> <p>8. State the estimated annual effect and nature of any important wage scale changes during the year.</p> <p>9. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.</p> <p>10. Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder reported on Page 104 or 105 of the Annual Report Form No. 1, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.</p> <p>11. (Reserved.)</p> <p>12. If the important changes during the year relating to the respondent company appearing in the annual report to stockholders are applicable in every respect and furnish the data required by Instructions 1 to 11 above, such notes may be included on this page.</p> <p>13. Describe fully any changes in officers, directors, major security holders and voting powers of the respondent that may have occurred during the reporting period.</p> <p>14. In the event that the respondent participates in a cash management program(s) and its proprietary capital ratio is less than 30 percent please describe the significant events or transactions causing the proprietary capital ratio to be less than 30 percent, and the extent to which the respondent has amounts loaned or money advanced to its parent, subsidiary, or affiliated companies through a cash management program(s). Additionally, please describe plans, if any to regain at least a 30 percent proprietary ratio.</p> |                                                                                                                       |                              |                                         |
| <p>PAGE 108 INTENTIONALLY LEFT BLANK<br/>SEE PAGE 109 FOR REQUIRED INFORMATION.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                       |                              |                                         |

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|-------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------|----------------------------------|
| Name of Respondent<br>Otter Tail Power Company        | This Report is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>2019/Q4 |
| IMPORTANT CHANGES DURING THE QUARTER/YEAR (Continued) |                                                                                                                       |                                              |                                  |

1. None.
2. None.
3. None.
4. None.
5. None.
6. See Note 7 in the Notes to Financial Statements and the Capital Resource Section in OTTR's 10Q There was \$100 million and \$35 million of notes issued and on October 10, 2019 and February 25, 2020. Another \$40 million will be issued on and August 20, 2020. On November 19, 2019 Otter Tail submitted an informational filing to the MN PUC related to an October 31, 2019 amendment to Otter Tail's existing credit agreement. (See, In the Matter of the Petition of Otter Tail Power Company for Approval of 2019 Capital Structure and Permission to Issue Securities, MPUC Docket No. E017/S-19-299).
7. None.
8. Local Union 203, 239, 524, 949 - annual increase effective 11/1/19 was 3.25%.
9. See Item 1, Legal Proceedings in Part I of the 10-K and Footnote 9 (Commitments and Contingencies) in Notes to Financial Statements.
10. None.
11. (Reserved.)
12. None.
13. Mark Helland, Vice President, Customer Service, removed effective April 8, 2019. Steve Schoeneck, appointed Vice President, Customer Service, effective April 9, 2019.
14. Not applicable.

| Name of Respondent<br>Otter Tail Power Company      |                                                                   | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |                                                       | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |
|-----------------------------------------------------|-------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|----------------------------------------------|-----------------------------------------|
| COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS) |                                                                   |                                                                                                                       |                                                       |                                              |                                         |
| Line No.                                            | Title of Account<br>(a)                                           | Ref. Page No.<br>(b)                                                                                                  | Current Year<br>End of Quarter/Year<br>Balance<br>(c) | Prior Year<br>End Balance<br>12/31<br>(d)    |                                         |
| 1                                                   | <b>UTILITY PLANT</b>                                              |                                                                                                                       |                                                       |                                              |                                         |
| 2                                                   | Utility Plant (101-106, 114)                                      | 200-201                                                                                                               | 2,214,226,888                                         | 2,020,152,274                                |                                         |
| 3                                                   | Construction Work in Progress (107)                               | 200-201                                                                                                               | 177,838,740                                           | 170,614,396                                  |                                         |
| 4                                                   | TOTAL Utility Plant (Enter Total of lines 2 and 3)                |                                                                                                                       | 2,392,065,628                                         | 2,190,766,670                                |                                         |
| 5                                                   | (Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115)   | 200-201                                                                                                               | 828,751,531                                           | 782,870,571                                  |                                         |
| 6                                                   | Net Utility Plant (Enter Total of line 4 less 5)                  |                                                                                                                       | 1,563,314,097                                         | 1,407,896,099                                |                                         |
| 7                                                   | Nuclear Fuel in Process of Ref., Conv., Enrich., and Fab. (120.1) | 202-203                                                                                                               | 0                                                     | 0                                            |                                         |
| 8                                                   | Nuclear Fuel Materials and Assemblies-Stock Account (120.2)       |                                                                                                                       | 0                                                     | 0                                            |                                         |
| 9                                                   | Nuclear Fuel Assemblies in Reactor (120.3)                        |                                                                                                                       | 0                                                     | 0                                            |                                         |
| 10                                                  | Spent Nuclear Fuel (120.4)                                        |                                                                                                                       | 0                                                     | 0                                            |                                         |
| 11                                                  | Nuclear Fuel Under Capital Leases (120.6)                         |                                                                                                                       | 0                                                     | 0                                            |                                         |
| 12                                                  | (Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)   | 202-203                                                                                                               | 0                                                     | 0                                            |                                         |
| 13                                                  | Net Nuclear Fuel (Enter Total of lines 7-11 less 12)              |                                                                                                                       | 0                                                     | 0                                            |                                         |
| 14                                                  | Net Utility Plant (Enter Total of lines 6 and 13)                 |                                                                                                                       | 1,563,314,097                                         | 1,407,896,099                                |                                         |
| 15                                                  | Utility Plant Adjustments (116)                                   |                                                                                                                       | 0                                                     | 0                                            |                                         |
| 16                                                  | Gas Stored Underground - Noncurrent (117)                         |                                                                                                                       | 0                                                     | 0                                            |                                         |
| 17                                                  | <b>OTHER PROPERTY AND INVESTMENTS</b>                             |                                                                                                                       |                                                       |                                              |                                         |
| 18                                                  | Nonutility Property (121)                                         |                                                                                                                       | 409,636                                               | 660,311                                      |                                         |
| 19                                                  | (Less) Accum. Prov. for Depr. and Amort. (122)                    |                                                                                                                       | 0                                                     | 0                                            |                                         |
| 20                                                  | Investments in Associated Companies (123)                         |                                                                                                                       | 0                                                     | 0                                            |                                         |
| 21                                                  | Investment in Subsidiary Companies (123.1)                        | 224-225                                                                                                               | 0                                                     | 0                                            |                                         |
| 22                                                  | (For Cost of Account 123.1, See Footnote Page 224, line 42)       |                                                                                                                       |                                                       |                                              |                                         |
| 23                                                  | Noncurrent Portion of Allowances                                  | 228-229                                                                                                               | 0                                                     | 0                                            |                                         |
| 24                                                  | Other Investments (124)                                           |                                                                                                                       | 51,313                                                | 59,416                                       |                                         |
| 25                                                  | Sinking Funds (125)                                               |                                                                                                                       | 0                                                     | 0                                            |                                         |
| 26                                                  | Depreciation Fund (126)                                           |                                                                                                                       | 0                                                     | 0                                            |                                         |
| 27                                                  | Amortization Fund - Federal (127)                                 |                                                                                                                       | 0                                                     | 0                                            |                                         |
| 28                                                  | Other Special Funds (128)                                         |                                                                                                                       | 1,671,846                                             | 1,599,083                                    |                                         |
| 29                                                  | Special Funds (Non Major Only) (129)                              |                                                                                                                       | 0                                                     | 0                                            |                                         |
| 30                                                  | Long-Term Portion of Derivative Assets (175)                      |                                                                                                                       | 0                                                     | 0                                            |                                         |
| 31                                                  | Long-Term Portion of Derivative Assets - Hedges (176)             |                                                                                                                       | 0                                                     | 0                                            |                                         |
| 32                                                  | TOTAL Other Property and Investments (Lines 18-21 and 23-31)      |                                                                                                                       | 2,132,795                                             | 2,318,810                                    |                                         |
| 33                                                  | <b>CURRENT AND ACCRUED ASSETS</b>                                 |                                                                                                                       |                                                       |                                              |                                         |
| 34                                                  | Cash and Working Funds (Non-major Only) (130)                     |                                                                                                                       | 0                                                     | 0                                            |                                         |
| 35                                                  | Cash (131)                                                        |                                                                                                                       | 2,300                                                 | 2,300                                        |                                         |
| 36                                                  | Special Deposits (132-134)                                        |                                                                                                                       | 42,658                                                | 910,572                                      |                                         |
| 37                                                  | Working Fund (135)                                                |                                                                                                                       | 12,483                                                | 12,467                                       |                                         |
| 38                                                  | Temporary Cash Investments (136)                                  |                                                                                                                       | 18,078,641                                            | 0                                            |                                         |
| 39                                                  | Notes Receivable (141)                                            |                                                                                                                       | 0                                                     | 0                                            |                                         |
| 40                                                  | Customer Accounts Receivable (142)                                |                                                                                                                       | 23,398,651                                            | 18,824,873                                   |                                         |
| 41                                                  | Other Accounts Receivable (143)                                   |                                                                                                                       | 8,425,347                                             | 9,015,298                                    |                                         |
| 42                                                  | (Less) Accum. Prov. for Uncollectible Acct.-Credit (144)          |                                                                                                                       | 1,156,601                                             | 1,081,142                                    |                                         |
| 43                                                  | Notes Receivable from Associated Companies (145)                  |                                                                                                                       | 0                                                     | 0                                            |                                         |
| 44                                                  | Accounts Receivable from Assoc. Companies (146)                   |                                                                                                                       | 8,887                                                 | 9,299                                        |                                         |
| 45                                                  | Fuel Stock (151)                                                  | 227                                                                                                                   | 9,408,594                                             | 8,298,406                                    |                                         |
| 46                                                  | Fuel Stock Expenses Undistributed (152)                           | 227                                                                                                                   | 0                                                     | 0                                            |                                         |
| 47                                                  | Residuals (Elec) and Extracted Products (153)                     | 227                                                                                                                   | 0                                                     | 0                                            |                                         |
| 48                                                  | Plant Materials and Operating Supplies (154)                      | 227                                                                                                                   | 22,661,850                                            | 21,457,154                                   |                                         |
| 49                                                  | Merchandise (155)                                                 | 227                                                                                                                   | 0                                                     | 0                                            |                                         |
| 50                                                  | Other Materials and Supplies (156)                                | 227                                                                                                                   | 0                                                     | 0                                            |                                         |
| 51                                                  | Nuclear Materials Held for Sale (157)                             | 202-203/227                                                                                                           | 0                                                     | 0                                            |                                         |
| 52                                                  | Allowances (158.1 and 158.2)                                      | 228-229                                                                                                               | 164,616                                               | 2,497                                        |                                         |
|                                                     |                                                                   |                                                                                                                       |                                                       |                                              |                                         |

| Name of Respondent<br>Otter Tail Power Company                 |                                                                         | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |                                                       | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |
|----------------------------------------------------------------|-------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|----------------------------------------------|-----------------------------------------|
| COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)(Continued) |                                                                         |                                                                                                                       |                                                       |                                              |                                         |
| Line No.                                                       | Title of Account<br>(a)                                                 | Ref. Page No.<br>(b)                                                                                                  | Current Year<br>End of Quarter/Year<br>Balance<br>(c) | Prior Year<br>End Balance<br>12/31<br>(d)    |                                         |
| 53                                                             | (Less) Noncurrent Portion of Allowances                                 |                                                                                                                       | 0                                                     | 0                                            |                                         |
| 54                                                             | Stores Expense Undistributed (163)                                      | 227                                                                                                                   | 0                                                     | 0                                            |                                         |
| 55                                                             | Gas Stored Underground - Current (164.1)                                |                                                                                                                       | 0                                                     | 0                                            |                                         |
| 56                                                             | Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)      |                                                                                                                       | 0                                                     | 0                                            |                                         |
| 57                                                             | Prepayments (165)                                                       |                                                                                                                       | 1,394,531                                             | 1,426,804                                    |                                         |
| 58                                                             | Advances for Gas (166-167)                                              |                                                                                                                       | 0                                                     | 0                                            |                                         |
| 59                                                             | Interest and Dividends Receivable (171)                                 |                                                                                                                       | 0                                                     | 0                                            |                                         |
| 60                                                             | Rents Receivable (172)                                                  |                                                                                                                       | 0                                                     | 0                                            |                                         |
| 61                                                             | Accrued Utility Revenues (173)                                          |                                                                                                                       | 20,909,509                                            | 23,592,861                                   |                                         |
| 62                                                             | Miscellaneous Current and Accrued Assets (174)                          |                                                                                                                       | 0                                                     | 0                                            |                                         |
| 63                                                             | Derivative Instrument Assets (175)                                      |                                                                                                                       | 0                                                     | 0                                            |                                         |
| 64                                                             | (Less) Long-Term Portion of Derivative Instrument Assets (175)          |                                                                                                                       | 0                                                     | 0                                            |                                         |
| 65                                                             | Derivative Instrument Assets - Hedges (176)                             |                                                                                                                       | 0                                                     | 0                                            |                                         |
| 66                                                             | (Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176) |                                                                                                                       | 0                                                     | 0                                            |                                         |
| 67                                                             | Total Current and Accrued Assets (Lines 34 through 66)                  |                                                                                                                       | 103,351,466                                           | 82,471,389                                   |                                         |
| 68                                                             | <b>DEFERRED DEBITS</b>                                                  |                                                                                                                       |                                                       |                                              |                                         |
| 69                                                             | Unamortized Debt Expenses (181)                                         |                                                                                                                       | 2,778,444                                             | 2,519,004                                    |                                         |
| 70                                                             | Extraordinary Property Losses (182.1)                                   | 230a                                                                                                                  | 0                                                     | 0                                            |                                         |
| 71                                                             | Unrecovered Plant and Regulatory Study Costs (182.2)                    | 230b                                                                                                                  | 1,336,266                                             | 2,070,587                                    |                                         |
| 72                                                             | Other Regulatory Assets (182.3)                                         | 232                                                                                                                   | 161,967,575                                           | 148,465,190                                  |                                         |
| 73                                                             | Prelim. Survey and Investigation Charges (Electric) (183)               |                                                                                                                       | 0                                                     | 0                                            |                                         |
| 74                                                             | Preliminary Natural Gas Survey and Investigation Charges 183.1)         |                                                                                                                       | 0                                                     | 0                                            |                                         |
| 75                                                             | Other Preliminary Survey and Investigation Charges (183.2)              |                                                                                                                       | 0                                                     | 0                                            |                                         |
| 76                                                             | Clearing Accounts (184)                                                 |                                                                                                                       | 60                                                    | 365,778                                      |                                         |
| 77                                                             | Temporary Facilities (185)                                              |                                                                                                                       | 0                                                     | 0                                            |                                         |
| 78                                                             | Miscellaneous Deferred Debits (186)                                     | 233                                                                                                                   | 0                                                     | 173,102                                      |                                         |
| 79                                                             | Def. Losses from Disposition of Utility Plt. (187)                      |                                                                                                                       | 0                                                     | 0                                            |                                         |
| 80                                                             | Research, Devel. and Demonstration Expend. (188)                        | 352-353                                                                                                               | 0                                                     | 0                                            |                                         |
| 81                                                             | Unamortized Loss on Reaquired Debt (189)                                |                                                                                                                       | 749,204                                               | 959,679                                      |                                         |
| 82                                                             | Accumulated Deferred Income Taxes (190)                                 | 234                                                                                                                   | 85,035,220                                            | 98,531,568                                   |                                         |
| 83                                                             | Unrecovered Purchased Gas Costs (191)                                   |                                                                                                                       | 0                                                     | 0                                            |                                         |
| 84                                                             | Total Deferred Debits (lines 69 through 83)                             |                                                                                                                       | 251,866,769                                           | 253,084,908                                  |                                         |
| 85                                                             | TOTAL ASSETS (lines 14-16, 32, 67, and 84)                              |                                                                                                                       | 1,920,665,127                                         | 1,745,771,206                                |                                         |
|                                                                |                                                                         |                                                                                                                       |                                                       |                                              |                                         |

|                          |                                                                                                                       |                                              |                                  |
|--------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------|----------------------------------|
| Name of Respondent       | This Report is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>2019/Q4 |
| Otter Tail Power Company |                                                                                                                       |                                              |                                  |
| FOOTNOTE DATA            |                                                                                                                       |                                              |                                  |

**Schedule Page: 110 Line No.: 52 Column: c**

Renewable Energy Credits are held in the Allowance inventory account (158.1) for future use.

|                                         |              |
|-----------------------------------------|--------------|
| Hoot Lake Plant Allowance               | 521          |
| Solar REC Emission Allowance Inventory  | 162,085      |
| Co-gen REC Emission Allowance Inventory | <u>2,010</u> |
|                                         | 164,616      |

**Schedule Page: 110 Line No.: 57 Column: c**

Per its FERC-approved tariff, the Company uses a 13 month average of allowable prepaid expenses for rate-making purposes, illustrated as follows for the current year:

|                                     |           |
|-------------------------------------|-----------|
| December 31, 2018                   | 1,426,804 |
| January 31, 2019                    | 2,972,032 |
| February 28, 2019                   | 2,523,430 |
| March 31, 2019                      | 4,820,272 |
| April 30, 2019                      | 4,107,578 |
| May 31, 2019                        | 3,773,118 |
| June 30, 2019                       | 3,291,609 |
| July 31, 2019                       | 3,139,241 |
| August 31, 2019                     | 2,755,997 |
| September 30, 2019                  | 2,548,861 |
| October 31, 2019                    | 2,106,335 |
| November 30, 2019                   | 1,665,462 |
| December 31, 2019                   | 1,394,531 |
| 13-month average for<br>rate-making | 2,809,636 |





| Name of Respondent<br>Otter Tail Power Company                        |                                                                        | This Report is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |                                                       | Date of Report<br>(mo, da, yr)<br>12/31/2019 | Year/Period of Report<br>end of 2019/Q4 |
|-----------------------------------------------------------------------|------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|----------------------------------------------|-----------------------------------------|
| COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS) (continued) |                                                                        |                                                                                                                       |                                                       |                                              |                                         |
| Line No.                                                              | Title of Account<br>(a)                                                | Ref. Page No.<br>(b)                                                                                                  | Current Year<br>End of Quarter/Year<br>Balance<br>(c) | Prior Year<br>End Balance<br>12/31<br>(d)    |                                         |
| 46                                                                    | Matured Interest (240)                                                 |                                                                                                                       | 0                                                     | 0                                            |                                         |
| 47                                                                    | Tax Collections Payable (241)                                          |                                                                                                                       | 1,500,632                                             | 1,369,904                                    |                                         |
| 48                                                                    | Miscellaneous Current and Accrued Liabilities (242)                    |                                                                                                                       | 1,129,970                                             | 13,600,020                                   |                                         |
| 49                                                                    | Obligations Under Capital Leases-Current (243)                         |                                                                                                                       | 0                                                     | 0                                            |                                         |
| 50                                                                    | Derivative Instrument Liabilities (244)                                |                                                                                                                       | 0                                                     | 0                                            |                                         |
| 51                                                                    | (Less) Long-Term Portion of Derivative Instrument Liabilities          |                                                                                                                       | 0                                                     | 0                                            |                                         |
| 52                                                                    | Derivative Instrument Liabilities - Hedges (245)                       |                                                                                                                       | 0                                                     | 0                                            |                                         |
| 53                                                                    | (Less) Long-Term Portion of Derivative Instrument Liabilities-Hedges   |                                                                                                                       | 0                                                     | 0                                            |                                         |
| 54                                                                    | Total Current and Accrued Liabilities (lines 37 through 53)            |                                                                                                                       | 120,754,227                                           | 103,679,744                                  |                                         |
| 55                                                                    | DEFERRED CREDITS                                                       |                                                                                                                       |                                                       |                                              |                                         |
| 56                                                                    | Customer Advances for Construction (252)                               |                                                                                                                       | 3,163,487                                             | 0                                            |                                         |
| 57                                                                    | Accumulated Deferred Investment Tax Credits (255)                      | 266-267                                                                                                               | 18,625,735                                            | 19,973,658                                   |                                         |
| 58                                                                    | Deferred Gains from Disposition of Utility Plant (256)                 |                                                                                                                       | 0                                                     | 0                                            |                                         |
| 59                                                                    | Other Deferred Credits (253)                                           | 269                                                                                                                   | 3,337,127                                             | 2,079,365                                    |                                         |
| 60                                                                    | Other Regulatory Liabilities (254)                                     | 278                                                                                                                   | 149,660,943                                           | 143,827,944                                  |                                         |
| 61                                                                    | Unamortized Gain on Reaquired Debt (257)                               |                                                                                                                       | 0                                                     | 0                                            |                                         |
| 62                                                                    | Accum. Deferred Income Taxes-Accel. Amort.(281)                        | 272-277                                                                                                               | 7,875,529                                             | 6,413,615                                    |                                         |
| 63                                                                    | Accum. Deferred Income Taxes-Other Property (282)                      |                                                                                                                       | 186,102,322                                           | 189,766,063                                  |                                         |
| 64                                                                    | Accum. Deferred Income Taxes-Other (283)                               |                                                                                                                       | 20,521,832                                            | 17,563,211                                   |                                         |
| 65                                                                    | Total Deferred Credits (lines 56 through 64)                           |                                                                                                                       | 389,286,975                                           | 379,623,856                                  |                                         |
| 66                                                                    | TOTAL LIABILITIES AND STOCKHOLDER EQUITY (lines 16, 24, 35, 54 and 65) |                                                                                                                       | 1,920,665,127                                         | 1,745,771,206                                |                                         |
|                                                                       |                                                                        |                                                                                                                       |                                                       |                                              |                                         |

FERC FORM NO. 1 (rev. 12-03)
Page 113

| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                        | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |                                                                     | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019                      | Year/Period of Report<br>End of 2019/Q4                              |                                                                    |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|-------------------------------------------------------------------|----------------------------------------------------------------------|--------------------------------------------------------------------|
| STATEMENT OF INCOME                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                        |                                                                                                                       |                                                                     |                                                                   |                                                                      |                                                                    |
| <p>Quarterly</p> <p>1. Report in column (c) the current year to date balance. Column (c) equals the total of adding the data in column (g) plus the data in column (i) plus the data in column (k). Report in column (d) similar data for the previous year. This information is reported in the annual filing only.</p> <p>2. Enter in column (e) the balance for the reporting quarter and in column (f) the balance for the same three month period for the prior year.</p> <p>3. Report in column (g) the quarter to date amounts for electric utility function; in column (i) the quarter to date amounts for gas utility, and in column (k) the quarter to date amounts for other utility function for the current year quarter.</p> <p>4. Report in column (h) the quarter to date amounts for electric utility function; in column (j) the quarter to date amounts for gas utility, and in column (l) the quarter to date amounts for other utility function for the prior year quarter.</p> <p>5. If additional columns are needed, place them in a footnote.</p> <p>Annual or Quarterly if applicable</p> <p>5. Do not report fourth quarter data in columns (e) and (f)</p> <p>6. Report amounts for accounts 412 and 413, Revenues and Expenses from Utility Plant Leased to Others, in another utility column in a similar manner to a utility department. Spread the amount(s) over lines 2 thru 26 as appropriate. Include these amounts in columns (c) and (d) totals.</p> <p>7. Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.</p> |                                                                        |                                                                                                                       |                                                                     |                                                                   |                                                                      |                                                                    |
| Line No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Title of Account<br>(a)                                                | (Ref.)<br>Page No.<br>(b)                                                                                             | Total<br>Current Year to<br>Date Balance for<br>Quarter/Year<br>(c) | Total<br>Prior Year to<br>Date Balance for<br>Quarter/Year<br>(d) | Current 3 Months<br>Ended<br>Quarterly Only<br>No 4th Quarter<br>(e) | Prior 3 Months<br>Ended<br>Quarterly Only<br>No 4th Quarter<br>(f) |
| 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | UTILITY OPERATING INCOME                                               |                                                                                                                       |                                                                     |                                                                   |                                                                      |                                                                    |
| 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Operating Revenues (400)                                               | 300-301                                                                                                               | 454,834,657                                                         | 445,935,618                                                       |                                                                      |                                                                    |
| 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Operating Expenses                                                     |                                                                                                                       |                                                                     |                                                                   |                                                                      |                                                                    |
| 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Operation Expenses (401)                                               | 320-323                                                                                                               | 256,448,632                                                         | 261,373,507                                                       |                                                                      |                                                                    |
| 5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Maintenance Expenses (402)                                             | 320-323                                                                                                               | 30,283,356                                                          | 31,502,109                                                        |                                                                      |                                                                    |
| 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Depreciation Expense (403)                                             | 336-337                                                                                                               | 54,784,299                                                          | 51,993,115                                                        |                                                                      |                                                                    |
| 7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Depreciation Expense for Asset Retirement Costs (403.1)                | 336-337                                                                                                               | 162,958                                                             | 119,876                                                           |                                                                      |                                                                    |
| 8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Amort. & Depl. of Utility Plant (404-405)                              | 336-337                                                                                                               | 3,408,857                                                           | 2,060,999                                                         |                                                                      |                                                                    |
| 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Amort. of Utility Plant Acq. Adj. (406)                                | 336-337                                                                                                               |                                                                     |                                                                   |                                                                      |                                                                    |
| 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Amort. Property Losses, Unrecov Plant and Regulatory Study Costs (407) |                                                                                                                       | 876,232                                                             | 853,401                                                           |                                                                      |                                                                    |
| 11                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Amort. of Conversion Expenses (407)                                    |                                                                                                                       |                                                                     |                                                                   |                                                                      |                                                                    |
| 12                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Regulatory Debits (407.3)                                              |                                                                                                                       | 216,986                                                             | 461,168                                                           |                                                                      |                                                                    |
| 13                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | (Less) Regulatory Credits (407.4)                                      |                                                                                                                       | 912,250                                                             | 1,248,654                                                         |                                                                      |                                                                    |
| 14                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Taxes Other Than Income Taxes (408.1)                                  | 262-263                                                                                                               | 15,776,875                                                          | 15,577,084                                                        |                                                                      |                                                                    |
| 15                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Income Taxes - Federal (409.1)                                         | 262-263                                                                                                               | 3,150,591                                                           | 2,240,170                                                         |                                                                      |                                                                    |
| 16                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | - Other (409.1)                                                        | 262-263                                                                                                               | -1,102,689                                                          | 523,194                                                           |                                                                      |                                                                    |
| 17                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Provision for Deferred Income Taxes (410.1)                            | 234, 272-277                                                                                                          | 17,174,471                                                          | 13,228,128                                                        |                                                                      |                                                                    |
| 18                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | (Less) Provision for Deferred Income Taxes-Cr. (411.1)                 | 234, 272-277                                                                                                          | 6,171,906                                                           | 9,642,474                                                         |                                                                      |                                                                    |
| 19                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Investment Tax Credit Adj. - Net (411.4)                               | 266                                                                                                                   | -1,347,924                                                          | -1,405,092                                                        |                                                                      |                                                                    |
| 20                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | (Less) Gains from Disp. of Utility Plant (411.6)                       |                                                                                                                       |                                                                     |                                                                   |                                                                      |                                                                    |
| 21                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Losses from Disp. of Utility Plant (411.7)                             |                                                                                                                       |                                                                     |                                                                   |                                                                      |                                                                    |
| 22                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | (Less) Gains from Disposition of Allowances (411.8)                    |                                                                                                                       | 16                                                                  | 16                                                                |                                                                      |                                                                    |
| 23                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Losses from Disposition of Allowances (411.9)                          |                                                                                                                       |                                                                     |                                                                   |                                                                      |                                                                    |
| 24                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Accretion Expense (411.10)                                             |                                                                                                                       | 439,732                                                             | 397,933                                                           |                                                                      |                                                                    |
| 25                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 24)      |                                                                                                                       | 373,188,204                                                         | 368,034,448                                                       |                                                                      |                                                                    |
| 26                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Net Util Oper Inc (Enter Tot line 2 less 25) Carry to Pg117,line 27    |                                                                                                                       | 81,646,453                                                          | 77,901,170                                                        |                                                                      |                                                                    |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                        |                                                                                                                       |                                                                     |                                                                   |                                                                      |                                                                    |

|                                                |                                                                                                                       |                                              |                                         |
|------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------|-----------------------------------------|
| Name of Respondent<br>Otter Tail Power Company | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |
|------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------|-----------------------------------------|

STATEMENT OF INCOME FOR THE YEAR (Continued)

9. Use page 122 for important notes regarding the statement of income for any account thereof.

10. Give concise explanations concerning unsettled rate proceedings where a contingency exists such that refunds of a material amount may need to be made to the utility's customers or which may result in material refund to the utility with respect to power or gas purchases. State for each year effected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to power or gas purchases.

11 Give concise explanations concerning significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purchases, and a summary of the adjustments made to balance sheet, income, and expense accounts.

12. If any notes appearing in the report to stokholders are applicable to the Statement of Income, such notes may be included at page 122.

13. Enter on page 122 a concise explanation of only those changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also, give the appropriate dollar effect of such changes.

14. Explain in a footnote if the previous year's/quarter's figures are different from that reported in prior reports.

15. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles report the information in a footnote to this schedule.

| ELECTRIC UTILITY                            |                                              | GAS UTILITY                                 |                                              | OTHER UTILITY                               |                                              | Line No. |
|---------------------------------------------|----------------------------------------------|---------------------------------------------|----------------------------------------------|---------------------------------------------|----------------------------------------------|----------|
| Current Year to Date<br>(in dollars)<br>(g) | Previous Year to Date<br>(in dollars)<br>(h) | Current Year to Date<br>(in dollars)<br>(i) | Previous Year to Date<br>(in dollars)<br>(j) | Current Year to Date<br>(in dollars)<br>(k) | Previous Year to Date<br>(in dollars)<br>(l) |          |
|                                             |                                              |                                             |                                              |                                             |                                              |          |
| 454,834,657                                 | 445,935,618                                  |                                             |                                              |                                             |                                              | 2        |
|                                             |                                              |                                             |                                              |                                             |                                              | 3        |
| 256,448,632                                 | 261,373,507                                  |                                             |                                              |                                             |                                              | 4        |
| 30,283,356                                  | 31,502,109                                   |                                             |                                              |                                             |                                              | 5        |
| 54,784,299                                  | 51,993,115                                   |                                             |                                              |                                             |                                              | 6        |
| 162,958                                     | 119,876                                      |                                             |                                              |                                             |                                              | 7        |
| 3,408,857                                   | 2,060,999                                    |                                             |                                              |                                             |                                              | 8        |
|                                             |                                              |                                             |                                              |                                             |                                              | 9        |
| 876,232                                     | 853,401                                      |                                             |                                              |                                             |                                              | 10       |
|                                             |                                              |                                             |                                              |                                             |                                              | 11       |
| 216,986                                     | 461,168                                      |                                             |                                              |                                             |                                              | 12       |
| 912,250                                     | 1,248,654                                    |                                             |                                              |                                             |                                              | 13       |
| 15,776,875                                  | 15,577,084                                   |                                             |                                              |                                             |                                              | 14       |
| 3,150,591                                   | 2,240,170                                    |                                             |                                              |                                             |                                              | 15       |
| -1,102,689                                  | 523,194                                      |                                             |                                              |                                             |                                              | 16       |
| 17,174,471                                  | 13,228,128                                   |                                             |                                              |                                             |                                              | 17       |
| 6,171,906                                   | 9,642,474                                    |                                             |                                              |                                             |                                              | 18       |
| -1,347,924                                  | -1,405,092                                   |                                             |                                              |                                             |                                              | 19       |
|                                             |                                              |                                             |                                              |                                             |                                              | 20       |
|                                             |                                              |                                             |                                              |                                             |                                              | 21       |
| 16                                          | 16                                           |                                             |                                              |                                             |                                              | 22       |
|                                             |                                              |                                             |                                              |                                             |                                              | 23       |
| 439,732                                     | 397,933                                      |                                             |                                              |                                             |                                              | 24       |
| 373,188,204                                 | 368,034,448                                  |                                             |                                              |                                             |                                              | 25       |
| 81,646,453                                  | 77,901,170                                   |                                             |                                              |                                             |                                              | 26       |
|                                             |                                              |                                             |                                              |                                             |                                              |          |

| Name of Respondent<br>Otter Tail Power Company |                                                                        | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |                     | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 |                                                                      | Year/Period of Report<br>End of 2019/Q4                            |  |
|------------------------------------------------|------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|---------------------|----------------------------------------------|----------------------------------------------------------------------|--------------------------------------------------------------------|--|
| STATEMENT OF INCOME FOR THE YEAR (continued)   |                                                                        |                                                                                                                       |                     |                                              |                                                                      |                                                                    |  |
| Line No.                                       | Title of Account<br>(a)                                                | (Ref.)<br>Page No.<br>(b)                                                                                             | TOTAL               |                                              | Current 3 Months<br>Ended<br>Quarterly Only<br>No 4th Quarter<br>(e) | Prior 3 Months<br>Ended<br>Quarterly Only<br>No 4th Quarter<br>(f) |  |
|                                                |                                                                        |                                                                                                                       | Current Year<br>(c) | Previous Year<br>(d)                         |                                                                      |                                                                    |  |
| 27                                             | Net Utility Operating Income (Carried forward from page 114)           |                                                                                                                       | 81,646,453          | 77,901,170                                   |                                                                      |                                                                    |  |
| 28                                             | Other Income and Deductions                                            |                                                                                                                       |                     |                                              |                                                                      |                                                                    |  |
| 29                                             | Other Income                                                           |                                                                                                                       |                     |                                              |                                                                      |                                                                    |  |
| 30                                             | Nonutility Operating Income                                            |                                                                                                                       |                     |                                              |                                                                      |                                                                    |  |
| 31                                             | Revenues From Merchandising, Jobbing and Contract Work (415)           |                                                                                                                       |                     |                                              |                                                                      |                                                                    |  |
| 32                                             | (Less) Costs and Exp. of Merchandising, Job. & Contract Work (416)     |                                                                                                                       |                     |                                              |                                                                      |                                                                    |  |
| 33                                             | Revenues From Nonutility Operations (417)                              |                                                                                                                       | 556,143             | 569,568                                      |                                                                      |                                                                    |  |
| 34                                             | (Less) Expenses of Nonutility Operations (417.1)                       |                                                                                                                       | 375,462             | 359,180                                      |                                                                      |                                                                    |  |
| 35                                             | Nonoperating Rental Income (418)                                       |                                                                                                                       | 54,650              | 54,150                                       |                                                                      |                                                                    |  |
| 36                                             | Equity in Earnings of Subsidiary Companies (418.1)                     | 119                                                                                                                   |                     |                                              |                                                                      |                                                                    |  |
| 37                                             | Interest and Dividend Income (419)                                     |                                                                                                                       | 293,013             | 145,707                                      |                                                                      |                                                                    |  |
| 38                                             | Allowance for Other Funds Used During Construction (419.1)             |                                                                                                                       | 2,552,581           | 2,194,111                                    |                                                                      |                                                                    |  |
| 39                                             | Miscellaneous Nonoperating Income (421)                                |                                                                                                                       | 3,288,615           | 3,277,090                                    |                                                                      |                                                                    |  |
| 40                                             | Gain on Disposition of Property (421.1)                                |                                                                                                                       | 37,106              | 3,494                                        |                                                                      |                                                                    |  |
| 41                                             | TOTAL Other Income (Enter Total of lines 31 thru 40)                   |                                                                                                                       | 6,406,646           | 5,884,940                                    |                                                                      |                                                                    |  |
| 42                                             | Other Income Deductions                                                |                                                                                                                       |                     |                                              |                                                                      |                                                                    |  |
| 43                                             | Loss on Disposition of Property (421.2)                                |                                                                                                                       | 16,364              | 1,221                                        |                                                                      |                                                                    |  |
| 44                                             | Miscellaneous Amortization (425)                                       |                                                                                                                       |                     | 88,420                                       |                                                                      |                                                                    |  |
| 45                                             | Donations (426.1)                                                      |                                                                                                                       | 605,761             | 1,452,011                                    |                                                                      |                                                                    |  |
| 46                                             | Life Insurance (426.2)                                                 |                                                                                                                       |                     |                                              |                                                                      |                                                                    |  |
| 47                                             | Penalties (426.3)                                                      |                                                                                                                       | 2,726               |                                              |                                                                      |                                                                    |  |
| 48                                             | Exp. for Certain Civic, Political & Related Activities (426.4)         |                                                                                                                       | 270,751             | 280,043                                      |                                                                      |                                                                    |  |
| 49                                             | Other Deductions (426.5)                                               |                                                                                                                       | 391,685             | 420,343                                      |                                                                      |                                                                    |  |
| 50                                             | TOTAL Other Income Deductions (Total of lines 43 thru 49)              |                                                                                                                       | 1,287,287           | 2,242,038                                    |                                                                      |                                                                    |  |
| 51                                             | Taxes Applicable to Other Income and Deductions                        |                                                                                                                       |                     |                                              |                                                                      |                                                                    |  |
| 52                                             | Taxes Other Than Income Taxes (408.2)                                  | 262-263                                                                                                               | 7,848               | 7,848                                        |                                                                      |                                                                    |  |
| 53                                             | Income Taxes-Federal (409.2)                                           | 262-263                                                                                                               | 1,105,084           | 906,575                                      |                                                                      |                                                                    |  |
| 54                                             | Income Taxes-Other (409.2)                                             | 262-263                                                                                                               | 364,206             | 294,044                                      |                                                                      |                                                                    |  |
| 55                                             | Provision for Deferred Inc. Taxes (410.2)                              | 234, 272-277                                                                                                          | 936,062             | 723,078                                      |                                                                      |                                                                    |  |
| 56                                             | (Less) Provision for Deferred Income Taxes-Cr. (411.2)                 | 234, 272-277                                                                                                          | 1,241,384           | 1,183,121                                    |                                                                      |                                                                    |  |
| 57                                             | Investment Tax Credit Adj.-Net (411.5)                                 |                                                                                                                       |                     |                                              |                                                                      |                                                                    |  |
| 58                                             | (Less) Investment Tax Credits (420)                                    |                                                                                                                       |                     |                                              |                                                                      |                                                                    |  |
| 59                                             | TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)      |                                                                                                                       | 1,171,816           | 748,424                                      |                                                                      |                                                                    |  |
| 60                                             | Net Other Income and Deductions (Total of lines 41, 50, 59)            |                                                                                                                       | 3,947,543           | 2,894,478                                    |                                                                      |                                                                    |  |
| 61                                             | Interest Charges                                                       |                                                                                                                       |                     |                                              |                                                                      |                                                                    |  |
| 62                                             | Interest on Long-Term Debt (427)                                       |                                                                                                                       | 26,842,622          | 25,620,094                                   |                                                                      |                                                                    |  |
| 63                                             | Amort. of Debt Disc. and Expense (428)                                 |                                                                                                                       | 420,550             | 539,477                                      |                                                                      |                                                                    |  |
| 64                                             | Amortization of Loss on Required Debt (428.1)                          |                                                                                                                       | 210,475             | 254,343                                      |                                                                      |                                                                    |  |
| 65                                             | (Less) Amort. of Premium on Debt-Credit (429)                          |                                                                                                                       |                     |                                              |                                                                      |                                                                    |  |
| 66                                             | (Less) Amortization of Gain on Required Debt-Credit (429.1)            |                                                                                                                       |                     |                                              |                                                                      |                                                                    |  |
| 67                                             | Interest on Debt to Assoc. Companies (430)                             |                                                                                                                       |                     |                                              |                                                                      |                                                                    |  |
| 68                                             | Other Interest Expense (431)                                           |                                                                                                                       | 802,311             | 1,156,622                                    |                                                                      |                                                                    |  |
| 69                                             | (Less) Allowance for Borrowed Funds Used During Construction-Cr. (432) |                                                                                                                       | 1,727,733           | 1,205,524                                    |                                                                      |                                                                    |  |
| 70                                             | Net Interest Charges (Total of lines 62 thru 69)                       |                                                                                                                       | 26,548,225          | 26,365,012                                   |                                                                      |                                                                    |  |
| 71                                             | Income Before Extraordinary Items (Total of lines 27, 60 and 70)       |                                                                                                                       | 59,045,771          | 54,430,636                                   |                                                                      |                                                                    |  |
| 72                                             | Extraordinary Items                                                    |                                                                                                                       |                     |                                              |                                                                      |                                                                    |  |
| 73                                             | Extraordinary Income (434)                                             |                                                                                                                       |                     |                                              |                                                                      |                                                                    |  |
| 74                                             | (Less) Extraordinary Deductions (435)                                  |                                                                                                                       |                     |                                              |                                                                      |                                                                    |  |
| 75                                             | Net Extraordinary Items (Total of line 73 less line 74)                |                                                                                                                       |                     |                                              |                                                                      |                                                                    |  |
| 76                                             | Income Taxes-Federal and Other (409.3)                                 | 262-263                                                                                                               |                     |                                              |                                                                      |                                                                    |  |
| 77                                             | Extraordinary Items After Taxes (line 75 less line 76)                 |                                                                                                                       |                     |                                              |                                                                      |                                                                    |  |
| 78                                             | Net Income (Total of line 71 and 77)                                   |                                                                                                                       | 59,045,771          | 54,430,636                                   |                                                                      |                                                                    |  |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                     |                                                                                                                       |                                               |                                                |                                         |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|------------------------------------------------|-----------------------------------------|
| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                     | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |                                               | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019   | Year/Period of Report<br>End of 2019/Q4 |
| STATEMENT OF RETAINED EARNINGS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                     |                                                                                                                       |                                               |                                                |                                         |
| <p>1. Do not report Lines 49-53 on the quarterly version.</p> <p>2. Report all changes in appropriated retained earnings, unappropriated retained earnings, year to date, and unappropriated undistributed subsidiary earnings for the year.</p> <p>3. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436 - 439 inclusive). Show the contra primary account affected in column (b)</p> <p>4. State the purpose and amount of each reservation or appropriation of retained earnings.</p> <p>5. List first account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items in that order.</p> <p>6. Show dividends for each class and series of capital stock.</p> <p>7. Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.</p> <p>8. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.</p> <p>9. If any notes appearing in the report to stockholders are applicable to this statement, include them on pages 122-123.</p> |                                                                     |                                                                                                                       |                                               |                                                |                                         |
| Line No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Item (a)                                                            | Contra Primary Account Affected (b)                                                                                   | Current Quarter/Year Year to Date Balance (c) | Previous Quarter/Year Year to Date Balance (d) |                                         |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | UNAPPROPRIATED RETAINED EARNINGS (Account 216)                      |                                                                                                                       |                                               |                                                |                                         |
| 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Balance-Beginning of Period                                         |                                                                                                                       | 190,029,875                                   | 178,138,711                                    |                                         |
| 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Changes                                                             |                                                                                                                       |                                               |                                                |                                         |
| 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Adjustments to Retained Earnings (Account 439)                      |                                                                                                                       |                                               |                                                |                                         |
| 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Stranded Tax Transfer (439)                                         |                                                                                                                       | 343,864                                       |                                                |                                         |
| 5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                     |                                                                                                                       |                                               |                                                |                                         |
| 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                     |                                                                                                                       |                                               |                                                |                                         |
| 7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                     |                                                                                                                       |                                               |                                                |                                         |
| 8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                     |                                                                                                                       |                                               |                                                |                                         |
| 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | TOTAL Credits to Retained Earnings (Acct. 439)                      |                                                                                                                       | 343,864                                       |                                                |                                         |
| 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                     |                                                                                                                       |                                               |                                                |                                         |
| 11                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                     |                                                                                                                       |                                               |                                                |                                         |
| 12                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                     |                                                                                                                       |                                               |                                                |                                         |
| 13                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                     |                                                                                                                       |                                               |                                                |                                         |
| 14                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                     |                                                                                                                       |                                               |                                                |                                         |
| 15                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | TOTAL Debits to Retained Earnings (Acct. 439)                       |                                                                                                                       |                                               |                                                |                                         |
| 16                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Balance Transferred from Income (Account 433 less Account 418.1)    |                                                                                                                       | 59,045,771                                    | 54,430,636                                     |                                         |
| 17                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Appropriations of Retained Earnings (Acct. 436)                     |                                                                                                                       |                                               |                                                |                                         |
| 18                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Excess hydro licensing amortization                                 |                                                                                                                       | -33,028                                       | ( 32,628)                                      |                                         |
| 19                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                     |                                                                                                                       |                                               |                                                |                                         |
| 20                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                     |                                                                                                                       |                                               |                                                |                                         |
| 21                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                     |                                                                                                                       |                                               |                                                |                                         |
| 22                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | TOTAL Appropriations of Retained Earnings (Acct. 436)               |                                                                                                                       | -33,028                                       | ( 32,628)                                      |                                         |
| 23                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Dividends Declared-Preferred Stock (Account 437)                    |                                                                                                                       |                                               |                                                |                                         |
| 24                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                     |                                                                                                                       |                                               |                                                |                                         |
| 25                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                     |                                                                                                                       |                                               |                                                |                                         |
| 26                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                     |                                                                                                                       |                                               |                                                |                                         |
| 27                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                     |                                                                                                                       |                                               |                                                |                                         |
| 28                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                     |                                                                                                                       |                                               |                                                |                                         |
| 29                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | TOTAL Dividends Declared-Preferred Stock (Acct. 437)                |                                                                                                                       |                                               |                                                |                                         |
| 30                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Dividends Declared-Common Stock (Account 438)                       |                                                                                                                       |                                               |                                                |                                         |
| 31                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                     |                                                                                                                       | -44,527,787                                   | ( 42,506,846)                                  |                                         |
| 32                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                     |                                                                                                                       |                                               |                                                |                                         |
| 33                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                     |                                                                                                                       |                                               |                                                |                                         |
| 34                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                     |                                                                                                                       |                                               |                                                |                                         |
| 35                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                     |                                                                                                                       |                                               |                                                |                                         |
| 36                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | TOTAL Dividends Declared-Common Stock (Acct. 438)                   |                                                                                                                       | -44,527,787                                   | ( 42,506,846)                                  |                                         |
| 37                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Transfers from Acct 216.1, Unapprop. Undistrib. Subsidiary Earnings |                                                                                                                       |                                               |                                                |                                         |
| 38                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Balance - End of Period (Total 1,9,15,16,22,29,36,37)               |                                                                                                                       | 204,858,695                                   | 190,029,873                                    |                                         |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | APPROPRIATED RETAINED EARNINGS (Account 215)                        |                                                                                                                       |                                               |                                                |                                         |
| 39                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Amortization reserve, federal (account 215.1)                       |                                                                                                                       | 727,264                                       | 694,238                                        |                                         |
| 40                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                     |                                                                                                                       |                                               |                                                |                                         |





| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                        | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------|-----------------------------------------|
| STATEMENT OF CASH FLOWS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                        |                                                                                                                       |                                              |                                         |
| <p>(1) Codes to be used:(a) Net Proceeds or Payments;(b)Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.</p> <p>(2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.</p> <p>(3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.</p> <p>(4) Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.</p> |                                                                        |                                                                                                                       |                                              |                                         |
| Line No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Description (See Instruction No. 1 for Explanation of Codes)<br>(a)    | Current Year to Date<br>Quarter/Year<br>(b)                                                                           | Previous Year to Date<br>Quarter/Year<br>(c) |                                         |
| 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Net Cash Flow from Operating Activities:                               |                                                                                                                       |                                              |                                         |
| 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Net Income (Line 78(c) on page 117)                                    | 59,045,771                                                                                                            | 54,430,636                                   |                                         |
| 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Noncash Charges (Credits) to Income:                                   |                                                                                                                       |                                              |                                         |
| 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Depreciation and Depletion                                             | 54,947,257                                                                                                            | 52,112,993                                   |                                         |
| 5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Amortization                                                           | 3,829,407                                                                                                             | 2,600,475                                    |                                         |
| 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Vehicle depreciation allocated to various operating accounts           | 1,925,693                                                                                                             | 1,922,330                                    |                                         |
| 7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                        |                                                                                                                       |                                              |                                         |
| 8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Deferred Income Taxes (Net)                                            | 14,253,141                                                                                                            | 12,787,422                                   |                                         |
| 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Investment Tax Credit Adjustment (Net)                                 | -1,347,924                                                                                                            | -1,405,092                                   |                                         |
| 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Net (Increase) Decrease in Receivables                                 | -3,907,956                                                                                                            | -1,632,974                                   |                                         |
| 11                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Net (Increase) Decrease in Inventory                                   | -2,477,002                                                                                                            | -1,617,227                                   |                                         |
| 12                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Net (Increase) Decrease in Allowances Inventory                        |                                                                                                                       | 13,379                                       |                                         |
| 13                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Net Increase (Decrease) in Payables and Accrued Expenses               | 5,790,711                                                                                                             | 16,438,199                                   |                                         |
| 14                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Net (Increase) Decrease in Other Regulatory Assets                     | -13,502,385                                                                                                           | 377,400                                      |                                         |
| 15                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Net Increase (Decrease) in Other Regulatory Liabilities                | 5,833,000                                                                                                             | -9,875,144                                   |                                         |
| 16                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | (Less) Allowance for Other Funds Used During Construction              | 2,552,581                                                                                                             | 2,194,111                                    |                                         |
| 17                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | (Less) Undistributed Earnings from Subsidiary Companies                |                                                                                                                       |                                              |                                         |
| 18                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Other: (increase) decrease in noncurrent assets and deferred debits    | 1,418,957                                                                                                             | -176,170                                     |                                         |
| 19                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Other: increase (decrease) in noncurrent liabilities and deferred cost | -103,905                                                                                                              | -12,620,741                                  |                                         |
| 20                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Other: (increase) decrease in other current assets                     | 2,715,625                                                                                                             | -1,316,355                                   |                                         |
| 21                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                        |                                                                                                                       |                                              |                                         |
| 22                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Net Cash Provided by (Used in) Operating Activities (Total 2 thru 21)  | 125,867,809                                                                                                           | 109,845,020                                  |                                         |
| 23                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                        |                                                                                                                       |                                              |                                         |
| 24                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Cash Flows from Investment Activities:                                 |                                                                                                                       |                                              |                                         |
| 25                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Construction and Acquisition of Plant (including land):                |                                                                                                                       |                                              |                                         |
| 26                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Gross Additions to Utility Plant (less nuclear fuel)                   | -215,699,805                                                                                                          | -95,948,794                                  |                                         |
| 27                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Gross Additions to Nuclear Fuel                                        |                                                                                                                       |                                              |                                         |
| 28                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Gross Additions to Common Utility Plant                                |                                                                                                                       |                                              |                                         |
| 29                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Gross Additions to Nonutility Plant                                    | 250,675                                                                                                               | -80,400                                      |                                         |
| 30                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | (Less) Allowance for Other Funds Used During Construction              | -2,552,581                                                                                                            | -2,194,111                                   |                                         |
| 31                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Other (provide details in footnote):                                   |                                                                                                                       |                                              |                                         |
| 32                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                        |                                                                                                                       |                                              |                                         |
| 33                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                        |                                                                                                                       |                                              |                                         |
| 34                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Cash Outflows for Plant (Total of lines 26 thru 33)                    | -212,896,549                                                                                                          | -93,835,083                                  |                                         |
| 35                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                        |                                                                                                                       |                                              |                                         |
| 36                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Acquisition of Other Noncurrent Assets (d)                             |                                                                                                                       |                                              |                                         |
| 37                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Proceeds from Disposal of Noncurrent Assets (d)                        |                                                                                                                       |                                              |                                         |
| 38                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                        |                                                                                                                       |                                              |                                         |
| 39                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Investments in and Advances to Assoc. and Subsidiary Companies         |                                                                                                                       |                                              |                                         |
| 40                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Contributions and Advances from Assoc. and Subsidiary Companies        |                                                                                                                       |                                              |                                         |
| 41                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Disposition of Investments in (and Advances to)                        |                                                                                                                       |                                              |                                         |
| 42                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Associated and Subsidiary Companies                                    |                                                                                                                       |                                              |                                         |
| 43                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                        |                                                                                                                       |                                              |                                         |
| 44                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Purchase of Investment Securities (a)                                  |                                                                                                                       |                                              |                                         |
| 45                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Proceeds from Sales of Investment Securities (a)                       |                                                                                                                       |                                              |                                         |

| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                     | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------|-----------------------------------------|
| STATEMENT OF CASH FLOWS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                     |                                                                                                                       |                                              |                                         |
| <p>(1) Codes to be used:(a) Net Proceeds or Payments;(b)Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.</p> <p>(2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.</p> <p>(3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.</p> <p>(4) Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.</p> |                                                                     |                                                                                                                       |                                              |                                         |
| Line No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Description (See Instruction No. 1 for Explanation of Codes)<br>(a) | Current Year to Date<br>Quarter/Year<br>(b)                                                                           | Previous Year to Date<br>Quarter/Year<br>(c) |                                         |
| 46                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Loans Made or Purchased                                             |                                                                                                                       |                                              |                                         |
| 47                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Collections on Loans                                                |                                                                                                                       |                                              |                                         |
| 48                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                     |                                                                                                                       |                                              |                                         |
| 49                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Net (Increase) Decrease in Receivables                              |                                                                                                                       |                                              |                                         |
| 50                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Net (Increase ) Decrease in Inventory                               |                                                                                                                       |                                              |                                         |
| 51                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Net (Increase) Decrease in Allowances Held for Speculation          |                                                                                                                       |                                              |                                         |
| 52                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Net Increase (Decrease) in Payables and Accrued Expenses            | 23,909,781                                                                                                            | -373,135                                     |                                         |
| 53                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Other (increase) decrease in funds on deposit with trustee          | 867,914                                                                                                               | 5,931,618                                    |                                         |
| 54                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                     |                                                                                                                       |                                              |                                         |
| 55                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                     |                                                                                                                       |                                              |                                         |
| 56                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Net Cash Provided by (Used in) Investing Activities                 |                                                                                                                       |                                              |                                         |
| 57                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Total of lines 34 thru 55)                                          | -188,118,854                                                                                                          | -88,276,600                                  |                                         |
| 58                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                     |                                                                                                                       |                                              |                                         |
| 59                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Cash Flows from Financing Activities:                               |                                                                                                                       |                                              |                                         |
| 60                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Proceeds from Issuance of:                                          |                                                                                                                       |                                              |                                         |
| 61                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Long-Term Debt (b)                                                  | 100,000,000                                                                                                           |                                              |                                         |
| 62                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Preferred Stock                                                     |                                                                                                                       |                                              |                                         |
| 63                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Common Stock                                                        |                                                                                                                       |                                              |                                         |
| 64                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Other debt issuance expense                                         | -679,990                                                                                                              | -596,747                                     |                                         |
| 65                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                     |                                                                                                                       |                                              |                                         |
| 66                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Net Increase in Short-Term Debt (c)                                 |                                                                                                                       |                                              |                                         |
| 67                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Other change in checks written in excess of cash                    | -78,681                                                                                                               | -485,471                                     |                                         |
| 68                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Other proceeds from capital infusions                               | 35,000,000                                                                                                            | 25,000,000                                   |                                         |
| 69                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                     |                                                                                                                       |                                              |                                         |
| 70                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Cash Provided by Outside Sources (Total 61 thru 69)                 | 134,241,329                                                                                                           | 23,917,782                                   |                                         |
| 71                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                     |                                                                                                                       |                                              |                                         |
| 72                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Payments for Retirement of:                                         |                                                                                                                       |                                              |                                         |
| 73                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Long-term Debt (b)                                                  |                                                                                                                       | 100,000,000                                  |                                         |
| 74                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Preferred Stock                                                     |                                                                                                                       |                                              |                                         |
| 75                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Common Stock                                                        |                                                                                                                       |                                              |                                         |
| 76                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Other (provide details in footnote):                                |                                                                                                                       |                                              |                                         |
| 77                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                     |                                                                                                                       |                                              |                                         |
| 78                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Net Decrease in Short-Term Debt (c)                                 | -9,383,840                                                                                                            | -102,986,851                                 |                                         |
| 79                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                     |                                                                                                                       |                                              |                                         |
| 80                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Dividends on Preferred Stock                                        |                                                                                                                       |                                              |                                         |
| 81                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Dividends on Common Stock                                           | -44,527,787                                                                                                           | -42,506,846                                  |                                         |
| 82                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Net Cash Provided by (Used in) Financing Activities                 |                                                                                                                       |                                              |                                         |
| 83                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | (Total of lines 70 thru 81)                                         | 80,329,702                                                                                                            | -21,575,915                                  |                                         |
| 84                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                     |                                                                                                                       |                                              |                                         |
| 85                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Net Increase (Decrease) in Cash and Cash Equivalents                |                                                                                                                       |                                              |                                         |
| 86                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | (Total of lines 22,57 and 83)                                       | 18,078,657                                                                                                            | -7,495                                       |                                         |
| 87                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                     |                                                                                                                       |                                              |                                         |
| 88                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Cash and Cash Equivalents at Beginning of Period                    | 14,767                                                                                                                | 22,262                                       |                                         |
| 89                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                     |                                                                                                                       |                                              |                                         |
| 90                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Cash and Cash Equivalents at End of period                          | 18,093,424                                                                                                            | 14,767                                       |                                         |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                     |                                                                                                                       |                                              |                                         |

|                                                |                                                                                                                       |                                              |                                  |
|------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------|----------------------------------|
| Name of Respondent<br>Otter Tail Power Company | This Report is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>2019/Q4 |
| FOOTNOTE DATA                                  |                                                                                                                       |                                              |                                  |

|                                                                                                                                                            |
|------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Schedule Page: 120 Line No.: 5 Column: a</b>                                                                                                            |
| Amortization of intangible plant, plant acquisition adjustments and deferred costs, and debt discount and expense.                                         |
| <b>Schedule Page: 120 Line No.: 18 Column: a</b>                                                                                                           |
| Changes in miscellaneous deferred debits.                                                                                                                  |
| <b>Schedule Page: 120 Line No.: 19 Column: a</b>                                                                                                           |
| Includes changes in: other investments, other special funds, clearing accounts, miscellaneous deferred credits, and unamortized loss on reacquired debt.   |
| <b>Schedule Page: 120 Line No.: 20 Column: a</b>                                                                                                           |
| Includes changes in: notes receivable, prepayments, interest and dividends receivable, accrued utility revenues, miscellaneous current and accrued assets. |
| <b>Schedule Page: 120 Line No.: 53 Column: a</b>                                                                                                           |
| Change in special funds on deposit with fiscal agent.                                                                                                      |
| <b>Schedule Page: 120 Line No.: 64 Column: a</b>                                                                                                           |
| Debt issuance expense.                                                                                                                                     |
| <b>Schedule Page: 120 Line No.: 67 Column: a</b>                                                                                                           |
| Change in checks written in excess of cash.                                                                                                                |
| <b>Schedule Page: 120 Line No.: 68 Column: a</b>                                                                                                           |
| Proceeds from capital infusions from parent company.                                                                                                       |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                       |                              |                                         |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|------------------------------|-----------------------------------------|
| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |
| NOTES TO FINANCIAL STATEMENTS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                       |                              |                                         |
| <p>1. Use the space below for important notes regarding the Balance Sheet, Statement of Income for the year, Statement of Retained Earnings for the year, and Statement of Cash Flows, or any account thereof. Classify the notes according to each basic statement, providing a subheading for each statement except where a note is applicable to more than one statement.</p> <p>2. Furnish particulars (details) as to any significant contingent assets or liabilities existing at end of year, including a brief explanation of any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or of a claim for refund of income taxes of a material amount initiated by the utility. Give also a brief explanation of any dividends in arrears on cumulative preferred stock.</p> <p>3. For Account 116, Utility Plant Adjustments, explain the origin of such amount, debits and credits during the year, and plan of disposition contemplated, giving references to Commission orders or other authorizations respecting classification of amounts as plant adjustments and requirements as to disposition thereof.</p> <p>4. Where Accounts 189, Unamortized Loss on Reacquired Debt, and 257, Unamortized Gain on Reacquired Debt, are not used, give an explanation, providing the rate treatment given these items. See General Instruction 17 of the Uniform System of Accounts.</p> <p>5. Give a concise explanation of any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.</p> <p>6. If the notes to financial statements relating to the respondent company appearing in the annual report to the stockholders are applicable and furnish the data required by instructions above and on pages 114-121, such notes may be included herein.</p> <p>7. For the 3Q disclosures, respondent must provide in the notes sufficient disclosures so as to make the interim information not misleading. Disclosures which would substantially duplicate the disclosures contained in the most recent FERC Annual Report may be omitted.</p> <p>8. For the 3Q disclosures, the disclosures shall be provided where events subsequent to the end of the most recent year have occurred which have a material effect on the respondent. Respondent must include in the notes significant changes since the most recently completed year in such items as: accounting principles and practices; estimates inherent in the preparation of the financial statements; status of long-term contracts; capitalization including significant new borrowings or modifications of existing financing agreements; and changes resulting from business combinations or dispositions. However were material contingencies exist, the disclosure of such matters shall be provided even though a significant change since year end may not have occurred.</p> <p>9. Finally, if the notes to the financial statements relating to the respondent appearing in the annual report to the stockholders are applicable and furnish the data required by the above instructions, such notes may be included herein.</p> |                                                                                                                       |                              |                                         |
| <p>PAGE 122 INTENTIONALLY LEFT BLANK<br/>SEE PAGE 123 FOR REQUIRED INFORMATION.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                       |                              |                                         |

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| Otter Tail Power Company                  |                                                                                                                       |                                              |                                  |
| NOTES TO FINANCIAL STATEMENTS (Continued) |                                                                                                                       |                                              |                                  |

Reconciliation of Cash and Cash Equivalents (Lines 88 and 90 on Page 121)

With Balance Sheet Accounts (Page 110):

Account 136 – Temporary Cash Investment (Line 38, Page 110), contains amounts which are considered cash equivalents.

|                                                             | 2019       | 2018   |
|-------------------------------------------------------------|------------|--------|
| Cash - Account 131 (line 35, Page 110)                      | 2,300      | 2,300  |
| Working Fund - Account 135 (Line 37, Page 110)              | 12,483     | 12,467 |
| Temporary Cash Investment - Account 136 (Line 38, Page 110) | 18,078,641 | -      |
| Cash Equivalents                                            | 18,093,424 | 14,767 |

Otter Tail Power Company

Notes to Financial Statements

For the years ended December 31, 2019 and 2018

## 1. Summary of Significant Accounting Policies

### Organization and Operations

Otter Tail Power Company (OTP) is a wholly owned subsidiary of Otter Tail Corporation, both Minnesota corporations.

OTP includes the production, transmission, distribution and sale of electric energy in Minnesota, North Dakota and South Dakota. In addition, OTP is a participant in the Midcontinent Independent System Operator, Inc. (MISO) markets.

OTP, which is headquartered in Fergus Falls, Minnesota, provides electricity to more than 130,000 customers in a service area encompassing 70,000 square miles of western Minnesota, eastern North Dakota and northeastern South Dakota. The territory served by OTP is predominantly agricultural. The aggregate population of OTP's retail electric service area is approximately 230,000. In this service area of 422 communities and adjacent rural areas and farms, approximately 126,000 people live in communities having a population of more than 1,000, according to the 2010 census. The only communities served which have a population in excess of 10,000 are Jamestown, North Dakota (15,427); Bemidji, Minnesota (13,431); and Fergus Falls, Minnesota (13,138). As of December 31, 2019, OTP served 132,578 customers. Although there are relatively few large customers, sales to commercial and industrial customers are significant. One customer accounted for 11.9% of the 2019 revenue.

### Related Party

Included in the amounts presented in the balance sheet and income statement are the following related party balances:

| <i>(in thousands)</i>                    | 2019   | 2018   |
|------------------------------------------|--------|--------|
| Accounts Receivable                      | \$ 7   | \$ 7   |
| Accounts Payable                         | 2,056  | 1,877  |
| Operating Revenues                       | 49     | 57     |
| Other Operation and Maintenance Expenses | 11,852 | 11,266 |

The related party transactions predominately relate to the allocation of corporate overhead expenses and corporate aircraft usage to OTP and rent charged to Otter Tail Corporation for its use of office space in Fergus Falls. The corporate overhead expenses include such items as labor, professional services, office rent, subscriptions, information technology and general office expenses incurred by Otter Tail Corporation.

These expenses are allocated to OTP based on the type of expenditure, using an allocation methodology as defined in Otter Tail Corporation's Corporate Cost Allocation Manual.

|                                           |                                                                                                                       |                                              |                                  |
|-------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------|----------------------------------|
| Name of Respondent                        | This Report is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>2019/Q4 |
| NOTES TO FINANCIAL STATEMENTS (Continued) |                                                                                                                       |                                              |                                  |

#### Financial Statement Presentation and Basis of Accounting

The financial statements are presented on the basis of the accounting requirements of Federal Energy Regulatory Commission (FERC) as set forth in its applicable Uniform System of Accounts and this report differs from GAAP. The significant differences consist of the following:

- Comparative statements of net income per share are not presented.
- The accumulated reserve for estimated removal costs is included in the accumulated provision for depreciation for FERC reporting. For GAAP reporting it is reported as a regulatory liability.
- Current and long-term debt is classified in the balance sheet as all long-term debt in accordance with regulatory treatment, while GAAP presentation reflects current and long-term debt separately.
- Accumulated deferred tax assets and liabilities are classified in the balance sheet as gross deferred debits and credits, respectively, while GAAP presentation reflects either a net deferred asset or liability.
- Regulatory assets and liabilities are classified as current and noncurrent for GAAP, while FERC classifies all regulatory assets and liabilities as noncurrent deferred debits and credits, respectively.
- Various revenues and expenses are presented as other income and income deductions for FERC presentation and reported as operating income and expenses for the GAAP presentation.
- Revenue is classified in the Income Statement as Operating Revenue based on FERC account, while GAAP presentation reflects revenue as either revenue from contract with customers or alternative revenue programs.
- A portion of the non-service benefit costs are capitalized and included in rate base additions for rate recovery for regulatory treatment, while GAAP presentation reflects these costs as non-operating expenses.
- No operating lease assets or liabilities are recognized under FERC. An operating lease right-of-use asset and lease liability are recognized for most operating leases under GAAP.

#### Regulation and Accounting Standards Codification (ASC) Topic 980 (ASC 980)

OTP, a regulated electric utility company, accounts for the financial effects of regulation in accordance with ASC 980. This standard allows for the recording of a regulatory asset or liability for costs and revenues that will be collected or refunded through the ratemaking process in the future. In accordance with regulatory treatment, OTP defers utility debt redemption premiums and amortizes such costs over the original life of the reacquired bonds. See note 3 for further discussion.

OTP is subject to various state and federal agency regulations. The accounting policies followed by this business are subject to the Uniform System of Accounts of the FERC.

#### Plant, Retirements and Depreciation

Utility plant is stated at original cost. The cost of additions includes contracted work, direct labor and materials, allocable overheads and allowance for funds used during construction. The amount of interest capitalized on electric utility plant was \$1,728,000 in 2019 and \$1,206,000 in 2018. The cost of depreciable units of property retired less salvage is charged to accumulated depreciation. Removal costs, when incurred, are charged against the accumulated reserve for estimated removal costs. Maintenance, repairs and replacement of minor items of property are charged to operating expenses. The provisions for utility depreciation for financial reporting purposes are made on the straight-line method based on the estimated remaining service lives of the properties (5 to 82 years). Such provisions as a percent of the average balance of depreciable electric utility property were 2.81% in 2019 and 2.76% in 2018. Gains or losses on group asset dispositions are taken to the accumulated provision for depreciation reserve and impact current and future depreciation rates.

#### Recoverability of Long-Lived Assets

OTP reviews its long-lived assets whenever events or changes in circumstances indicate the carrying amount of the assets may not be recoverable. OTP determines potential impairment by comparing the carrying amount of the assets with net cash flows expected to be provided by operating activities of the business or related assets. If the sum of the expected future net cash flows is less than the carrying amount of the assets, OTP would recognize an impairment loss. Such an impairment loss would be measured as the amount by which the carrying amount exceeds the fair value of the asset, where fair value is based on the discounted cash flows expected to be generated by the asset.



|                                           |                                                                             |                                              |                                  |
|-------------------------------------------|-----------------------------------------------------------------------------|----------------------------------------------|----------------------------------|
| Name of Respondent                        | This Report is:<br>(1) <u>X</u> An Original<br>(2) <u>  </u> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>2019/Q4 |
| Otter Tail Power Company                  |                                                                             |                                              |                                  |
| NOTES TO FINANCIAL STATEMENTS (Continued) |                                                                             |                                              |                                  |

### Jointly Owned Facilities

OTP is a joint owner in two coal-fired steam-powered electric generation plants: Big Stone Plant near Big Stone City, South Dakota and Coyote Station near Beulah, North Dakota. OTP is also a joint owner, with other regional utilities, in five major transmission lines. The following table provides OTP's ownership percentages and amounts included in OTP's December 31, 2019 and 2018 balance sheets for OTP's share of jointly owned assets in each of these jointly owned facilities:

| <b>Jointly Owned Facilities</b> ( <i>dollars in thousands</i> ) | OTP<br>Ownership<br>Percentage | Electric Plant<br>in Service | Construction<br>Work in<br>Progress | Accumulated<br>Depreciation | Net Plant  |
|-----------------------------------------------------------------|--------------------------------|------------------------------|-------------------------------------|-----------------------------|------------|
| <b>December 31, 2019</b>                                        |                                |                              |                                     |                             |            |
| Big Stone Plant                                                 | 53.9%                          | \$ 337,197                   | \$ 384                              | \$ (98,654)                 | \$ 238,927 |
| Coyote Station                                                  | 35.0%                          | 184,493                      | 83                                  | (108,248)                   | 76,328     |
| Big Stone South–Ellendale 345 kV line <sup>I</sup>              | 50.0%                          | 106,343                      | --                                  | (819)                       | 105,524    |
| Fargo–Monticello 345 kV line                                    | 14.2%                          | 78,184                       | --                                  | (7,011)                     | 71,173     |
| Big Stone South–Brookings 345 kV line                           | 50.0%                          | 53,036                       | --                                  | (2,016)                     | 51,020     |
| Brookings–Southeast Twin Cities 345 kV line                     | 4.8%                           | 26,286                       | --                                  | (2,086)                     | 24,200     |
| Bemidji–Grand Rapids 230 kV line                                | 14.8%                          | 16,331                       | --                                  | (233)                       | 16,098     |
| <b>December 31, 2018</b>                                        |                                |                              |                                     |                             |            |
| Big Stone Plant                                                 | 53.9%                          | \$ 336,051                   | \$ 361                              | \$ (92,007)                 | \$ 244,405 |
| Coyote Station                                                  | 35.0%                          | 177,713                      | 2,588                               | (100,997)                   | 79,304     |
| Big Stone South–Ellendale 345 kV line <sup>I</sup>              | 50.0%                          | --                           | 106,490                             | --                          | 106,490    |
| Fargo–Monticello 345 kV line                                    | 14.2%                          | 78,184                       | --                                  | (5,891)                     | 72,293     |
| Big Stone South–Brookings 345 kV line                           | 50.0%                          | 53,235                       | (150)                               | (1,264)                     | 51,821     |
| Brookings–Southeast Twin Cities 345 kV line                     | 4.8%                           | 26,281                       | --                                  | (1,713)                     | 24,568     |
| Bemidji–Grand Rapids 230 kV line                                | 14.8%                          | 16,331                       | --                                  | (2,091)                     | 14,240     |

*MISO Multi-Value Project (MVP) designation provides for a return on invested funds while under construction under the MISO Open Access Transmission, Energy and Operating Reserve Markets Tariff (MISO Tariff).*

OTP's share of direct revenue and expenses of the jointly owned facilities is included in operating revenue and expenses in OTP's statements of income.

### Coyote Station Lignite Supply Agreement – Variable Interest Entity

In October 2012 the Coyote Station owners, including OTP, entered into a lignite sales agreement (LSA) with Coyote Creek Mining Company, L.L.C. (CCMC), a subsidiary of The North American Coal Corporation, for the purchase of lignite coal to meet the coal supply requirements of Coyote Station for the period beginning in May 2016 and ending in December 2040. The price per ton paid by the Coyote Station owners under the LSA reflects the cost of production, along with an agreed profit and capital charge. CCMC was formed for the purpose of mining coal to meet the coal fuel supply requirements of Coyote Station from May 2016 through December 2040 and, based on the terms of the LSA, is considered a variable interest entity (VIE) due to the transfer of all operating and economic risk to the Coyote Station owners, as the agreement is structured so that the price of the coal would cover all costs of operations as well as future reclamation costs. The Coyote Station owners are required to buy certain assets of CCMC at book value should they terminate the contract prior to the end of the contract term and are providing a guarantee of the value of the equity of CCMC because the Coyote Station owners are required to buy the membership interests of CCMC at the end of the contract term at equity value. Under current accounting standards, the primary beneficiary of a VIE is required to include the assets, liabilities, results of operations and cash flows of the VIE in its consolidated financial statements. No single owner of Coyote Station owns a majority interest in Coyote Station and none, individually, has the power to direct the activities that most significantly impact CCMC. Therefore, none of the owners individually, including OTP, is considered a primary beneficiary of the VIE and OTP is not required to include CCMC in OTP's financial statements.

If the LSA terminates prior to the expiration of its term or the production period terminates prior to December 31, 2040 and the Coyote Station owners purchase all of the outstanding membership interests of CCMC, the owners will satisfy (or if permitted by CCMC's applicable lenders assume) all of CCMC's obligations owed to CCMC's lenders under its loans and leases. The Coyote Station owners

|                                           |                                                                                                                       |                                              |                                  |
|-------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------|----------------------------------|
| Name of Respondent                        | This Report is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>2019/Q4 |
| Otter Tail Power Company                  |                                                                                                                       |                                              |                                  |
| NOTES TO FINANCIAL STATEMENTS (Continued) |                                                                                                                       |                                              |                                  |

have limited rights to assign their rights and obligations under the LSA without the consent of CCMC's lenders during any period in which CCMC's obligations to its lenders remain outstanding. In the event the contract is terminated prior to the end of the term due to certain events, OTP's maximum exposure to additional costs, as a result of its involvement with CCMC, and potential impairment loss if recovery of those costs is denied by regulatory authorities, could be as high as \$50.4 million, OTP's 35% share of CCMC's unrecovered costs as of December 31, 2019.

#### Income Taxes

Deferred income taxes arise for all temporary differences between the book and tax basis of assets and liabilities. Deferred taxes are recorded using the tax rates scheduled by tax law to be in effect in the periods when the temporary differences reverse. OTP amortizes investment tax credits over the estimated lives of related property. OTP records income taxes in accordance with ASC Topic 740, *Income Taxes*, and has recognized in its financial statements the tax effects of all tax positions that are "more-likely-than-not" to be sustained on audit based solely on the technical merits of those positions as of the balance sheet date. The term "more-likely-than-not" means a likelihood of more than 50%. OTP classifies interest and penalties on tax uncertainties as components of the provision for income taxes. See note 12 regarding the OTP's accounting for uncertain tax positions.

Otter Tail Corporation and its subsidiaries, including OTP, file a consolidated U.S. federal income tax return and various state income tax returns. In OTP's financial statements, comprehensive interperiod income tax allocation is used for substantially all book and tax temporary differences. In accordance with ASC 740, OTP records separate company deferred tax attribute balances as if OTP filed separate tax returns. OTP's deferred taxes included \$1.5 million of deferred taxes associated with net operating losses that had been utilized by the consolidated group as of December 31, 2018 and none as of December 31, 2019.

OTP also is required to assess the realizability of its deferred tax assets, taking into consideration its forecast of future taxable income, the reversal of other existing temporary differences, available net operating loss carryforwards and available tax planning strategies that could be implemented to realize the deferred tax assets. Based on this assessment, management must evaluate the need for, and amount of, valuation allowances against OTP's deferred tax assets. To the extent facts and circumstances change in the future, adjustments to the valuation allowance may be required.

On December 22, 2017, the President signed into law Pub L. 115-97 which is referred to as the Tax Cuts and Jobs Act. The TCJA contained many provisions, most notably a reduction of the Federal corporate income tax rate. Following almost immediately, all jurisdictions opened dockets to investigate the impact customers rates. In December 2017, OTP remeasured its deferred tax assets and liabilities to the new Federal corporate income tax rate of 21%. The result of this remeasurement was a reduction in the net deferred tax liability of approximately \$109 million. Based on our estimate of the amount of excess deferred income taxes that would be used to reduce future customer rates, we recorded an increase in regulatory liabilities of approximately \$147 million.

The accounts that increased and decreased in the 2017 remeasurement of deferred income taxes are reflected below (in millions):

| <u>Jurisdiction</u> | <u>254</u>     | <u>190</u>      | <u>281</u>     | <u>282</u>       | <u>283</u>      |
|---------------------|----------------|-----------------|----------------|------------------|-----------------|
| FERC                | \$6.7          | (\$1.0)         | (\$0.1)        | (\$7.1)          | (\$0.5)         |
| Minnesota           | 74.0           | (10.8)          | (1.1)          | (77.8)           | (5.9)           |
| North Dakota        | 54.6           | (7.0)           | (0.8)          | (56.5)           | (4.3)           |
| South Dakota        | <u>11.6</u>    | <u>(1.7)</u>    | <u>(0.2)</u>   | <u>(12.2)</u>    | <u>(0.9)</u>    |
| <b>Total</b>        | <b>\$146.9</b> | <b>(\$20.5)</b> | <b>(\$2.2)</b> | <b>(\$153.6)</b> | <b>(\$11.6)</b> |

Small adjustments were made to these balances from year-end 2017 related to finalization of the company's tax return accounting during 2018.

|                                           |                                                                                                                       |                                              |                                  |
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| Otter Tail Power Company                  |                                                                                                                       |                                              |                                  |
| NOTES TO FINANCIAL STATEMENTS (Continued) |                                                                                                                       |                                              |                                  |

The balance of Unprotected and Protected excess deferred income taxes as of December 31, 2019, are as follows (in millions):

|                     |                    |
|---------------------|--------------------|
|                     | <b><u>2019</u></b> |
| Unprotected Balance | 0.6                |
| Protected Balance   | <u>102.2</u>       |
| Total Balance       | \$102.8            |

All state jurisdictions opened dockets (Minnesota: E, G-999/CI-17-895; North Dakota: docket PU-17-490; South Dakota: GE17-3) regarding how customer rates should be reduced for excess deferred income taxes. OTP has received guidance as a result of these dockets and will reduce our regulatory liability related to excess deferred income taxes against account 411.1. The estimated amortization, period, account, and the category of such deferred taxes is reflected below (in millions):

| <b><u>Jurisdiction</u></b> | <b><u>2019</u></b> | <b><u>Amortization Period</u></b> |
|----------------------------|--------------------|-----------------------------------|
| <i>411.1</i>               |                    |                                   |
| FERC – Protected           | \$ 0.17            | 30 years under ARAM               |
| Minnesota – Protected      | \$ 1.90            | 30 years under ARAM               |
| North Dakota – Protected   | \$ 1.40            | 30 years under ARAM               |
| South Dakota – Protected   | \$ 0.30            | 30 years under ARAM               |
| FERC – unprotected         | \$(0.01)           | 5 years straight line             |
| Minnesota – Protected      | \$ 0.03            | 10 years straight line            |
| North Dakota – Protected   | \$ 0.09            | 5 years straight line             |
| South Dakota – Protected   | \$(0.02)           | 4 years straight line             |

In the table above, ARAM refers to the average rate assumption method.

#### **Revenue Recognition**

Customer electricity use is metered and bills are rendered monthly. Revenue is accrued for electricity consumed but not yet billed. Rate schedules applicable to substantially all customers include a fuel clause adjustment, under which the rates are adjusted to reflect changes in average cost of fuels and purchased power, and a surcharge for recovery of conservation-related expenses. Revenue is recognized for fuel and purchased power costs incurred in excess of amounts recovered in base rates but not yet billed through the fuel clause adjustment, for conservation program incentives and bonuses earned but not yet billed and for renewable resource, transmission-related and environmental incurred costs and investment returns approved for recovery through riders.

Revenues on wholesale electricity sales from company-owned generating units are recognized when energy is delivered. For shared use of transmission facilities with certain regional transmission cooperatives, revenues are estimated. Bills are rendered based on anticipated usage and settlements are made later based on actual usage. Estimated revenues may be adjusted prior to settlement, or at the time of settlement, to reflect actual usage.

Under ASC Topic 815, Derivatives and Hedging, OTP accounts for forward energy contracts as derivatives subject to mark-to-market accounting unless those contracts meet the definition of a capacity contract or are not subject to unplanned netting, then OTP accounts for the contracts under the normal purchases and sales exception to mark-to-market accounting.

#### **Agreements Subject to Legally Enforceable Netting Arrangements**

OTP has certain derivative contracts that are designated as normal purchases. Individual counterparty exposures for these contracts can be offset according to legally enforceable netting arrangements. OTP does not offset assets and liabilities under legally enforceable netting arrangements on the face of its balance sheet.

|                                           |                                                                             |                                              |                                  |
|-------------------------------------------|-----------------------------------------------------------------------------|----------------------------------------------|----------------------------------|
| Name of Respondent                        | This Report is:<br>(1) <u>X</u> An Original<br>(2) <u>  </u> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>2019/Q4 |
| Otter Tail Power Company                  |                                                                             |                                              |                                  |
| NOTES TO FINANCIAL STATEMENTS (Continued) |                                                                             |                                              |                                  |

#### Use of Estimates

OTP uses estimates based on the best information available in recording transactions and balances resulting from business operations. As better information becomes available (or actual amounts are known), the recorded estimates are revised. Consequently, operating results can be affected by revisions to prior accounting estimates.

#### Cash Equivalents

OTP considers all highly liquid debt instruments purchased with maturities of 90 days or less to be cash equivalents.

#### Fair Value Measurements

OTP follows ASC Topic 820, *Fair Value Measurements and Disclosures* (ASC 820), for recurring fair value measurements. ASC 820 provides a single definition of fair value, requires enhanced disclosures about assets and liabilities measured at fair value and establishes a hierarchal framework for disclosing the observability of the inputs utilized in measuring assets and liabilities at fair value.

#### Inventories

OTP inventories consisting of fuel, materials and supplies are reported at average cost.

#### Supplemental Disclosures of Cash Flow Information

|                                                               | As of December 31, |            |
|---------------------------------------------------------------|--------------------|------------|
| (in thousands)                                                | 2019               | 2018       |
| Noncash Investing Activities:                                 |                    |            |
| Transactions Related to Capital Additions not Settled in Cash | \$ 36,970          | \$ 13,060  |
| (in thousands)                                                | 2019               | 2018       |
| Cash Paid During the Year for:                                |                    |            |
| Interest (net of amount capitalized)                          | \$ 25,113          | \$ 23,954  |
| Income Tax Refunds from Otter Tail Corporation                | \$ (3,332)         | \$ (1,166) |

#### New Accounting Standards Adopted

**ASU 2016-02**—In February 2016 the FASB issued ASU No. 2016-02, *Leases (Topic 842)* (ASU 2016-02). ASU 2016-02 is a comprehensive amendment of the ASC, creating Topic 842, which supersedes the requirements under ASC Topic 840 on leases and requires the recognition of lease assets and lease liabilities on the balance sheet and the disclosure of key information about leasing arrangements. The amendments in ASU 2016-02 are effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. The main difference between previous Generally Accepted Accounting Principles in the United States (GAAP) and Topic 842 is the recognition of lease assets and lease liabilities by lessees for those leases classified as operating leases under previous GAAP. OTP adopted the amendments in ASU 2016-02 to its financial statements effective January 1, 2019. See note 6 for further information on leases and the OTP's elections for applying the new standard.

**ASU 2018-02**—In February 2018 the FASB issued ASU No. 2018-02, *Income Statement—Reporting Comprehensive Income (Topic 220): Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income* (ASU 2018-02). The amendments in ASU 2018-02, which are narrow in scope, allow a reclassification from accumulated other comprehensive income/loss (AOCI/(L)) to retained earnings for stranded tax effects resulting from the 2017 Tax Cuts and Jobs Act (TCJA). Consequently, the amendments eliminate the stranded tax effects resulting from the TCJA and will improve the usefulness of information reported to financial statement users. The amendments in ASU 2018-02 also require certain disclosures about stranded tax effects and are effective for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years. The amendments in ASU 2018-02 can be applied either in the period of adoption or retrospectively to each period (or periods) in which the effect of the change in the U.S. federal corporate income tax rate in the TCJA is recognized.

OTP adopted the updates in ASU 2018-02 effective January 1, 2019, applying them in the period of adoption and not retrospectively. On adoption, OTP reclassified \$344,000 of income tax effects of the TCJA on the gross deferred tax amounts reflected in AOCI/(L) at the date of enactment of the TCJA and AOCI/(L) to retained earnings so the remaining gross deferred tax amounts related to items in AOCI/(L) will reflect current effective tax rates.

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| Otter Tail Power Company                  |                                                                                                                       |                                              |                                  |
| NOTES TO FINANCIAL STATEMENTS (Continued) |                                                                                                                       |                                              |                                  |

Support for the determination of the stranded tax effects resulting from the enactment of the TCJA in AOCI/(L) is provided in the table below.

| (in thousands)                                                                 | Unamortized Actuarial Losses<br>and Prior Service Costs on<br>Executive Survivor and<br>Supplemental Retirement Benefits | AOCI/(L)   |
|--------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|------------|
| Balance on December 22, 2017 – Pre-tax                                         | \$ (2,456)                                                                                                               | \$ (2,456) |
| Effect of TCJA 14% Federal Tax Rate Reduction on Gross Deferred<br>Tax Amounts | \$ (344)                                                                                                                 | \$ (344)   |

#### New Accounting Standards Pending Adoption

ASU 2016-13—In June 2016 the FASB issued ASU No. 2016-13, *Financial Instruments—Credit Losses (Topic 326)* (ASC 326), which changes how entities account for credit losses on receivables and certain other assets. The guidance requires use of a current expected credit loss model, which may result in earlier recognition of credit losses than under previous accounting standards. ASC 326 is effective for interim and annual periods beginning on or after December 15, 2019. OTP has reviewed its outstanding investments and receivables that will be subject to evaluation for credit losses under the new standard and determined that application of the new expected loss model will not have a material impact on its current calculation of credit losses and allowance for doubtful accounts balance. OTP will apply ASC 326 to its financial statements in the first quarter of 2020. Adoption of the new standard will not have a material impact on OTP's financial statements and OTP will not record a cumulative effect adjustment to retained earnings on adoption.

ASU 2018-15—In August 2018 the FASB issued ASU No. 2018-15, *Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40)*, which amends ASC 350-40, *Internal-Use Software*, to address a customer's accounting for implementation costs incurred in a cloud computing arrangement that is a service contract. The amendments in ASU 2018-15 align the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software (and hosting arrangements that include an internal-use software license). Accordingly, the amendments in ASU 2018-15 require an entity (customer) in a hosting arrangement that is a service contract to follow the guidance in ASC 350-40 to determine which implementation costs to capitalize as an asset related to the service contract and which costs to expense. The amendments in ASU 2018-15 also require the entity to present the expense related to the capitalized implementation costs in the same line item in the statement of income as the fees associated with the hosting element (service) of the arrangement and classify payments for capitalized implementation costs in the statement of cash flows in the same manner as payments made for fees associated with the hosting element. The entity is also required to present the capitalized implementation costs in the statement of financial position in the same line item that a prepayment for the fees of the associated hosting arrangement would be presented. The amendments in ASU 2018-15 are effective for interim and annual periods beginning on or after December 15, 2019 with early adoption permitted in any interim period. OTP will adopt the amendments in ASU 2018-15 in the first quarter of 2020 and expects there will be no impact to its financial statements on adoption but does expect to begin capitalizing implementation costs incurred in cloud computing arrangements post-adoption.

#### Subsequent Events

In March 2020, the World Health Organization declared the outbreak of COVID-19 a pandemic. Measures put in place by governmental leaders to help limit the spread may have a significant impact on economic activity in the near term. OTP is monitoring the related impacts however, it will take time before OTP can fully determine the impact of COVID-19 on the OTP's results of operations, financial position and cash flows.

## **2. Rate and Regulatory Matters**

Below are descriptions of OTP's major capital expenditure projects that have had, or are expected to have, a significant impact on OTP's revenue requirements, rates and alternative revenue recovery mechanisms, followed by summaries of specific general rate proceedings and descriptions of rate riders and a summary of rate rider proceedings with the Minnesota Public Utilities Commission (MPUC), the North Dakota Public Service Commission (NDPSC), the South Dakota Public Utilities Commission (SDPUC) and the FERC, impacting OTP's revenues in 2019 and 2018.

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| Otter Tail Power Company                  |                                                                                                                       |                                              |                                  |
| NOTES TO FINANCIAL STATEMENTS (Continued) |                                                                                                                       |                                              |                                  |

### Major Capital Expenditure Projects

Merricourt Wind Energy Center (Merricourt)—On November 16, 2016 OTP entered into an Asset Purchase Agreement (the Purchase Agreement) with EDF Renewable Development, Inc. and certain of its affiliated companies (collectively, EDF) to purchase and assume the development assets and certain specified liabilities associated with Merricourt, a 150-megawatt (MW) wind farm in southeastern North Dakota, for a purchase price of approximately \$34.7 million, subject to adjustments for interconnection costs. Also on November 16, 2016, OTP entered into a Turnkey Engineering, Procurement and Construction Services Agreement (the TEPC Agreement) with EDF-RE US Development, LLC (EDF-USD) pursuant to which EDF-USD will develop, design, procure, construct, interconnect, test and commission the wind farm with a targeted completion date in 2020 for consideration of approximately \$200.5 million, subject to certain adjustments, payable following the closing of the Purchase Agreement in installments in connection with certain project construction milestones. The agreements contain customary representations, warranties, covenants and indemnities for this type of transaction. On October 26, 2017 the MPUC approved the facility under the Renewable Energy Standard making Merricourt eligible for cost recovery under the Minnesota Renewable Resource Recovery rider, subject to qualifications and reporting obligations. The MPUC's final written order was issued on January 10, 2018. A final order for an Advance Determination of Prudence (ADP) for Merricourt, subject to qualifications and compliance obligations, and a Certificate of Public Convenience and Necessity were issued by the NDPSC on November 3, 2017. The phase-in rider approved by order of the SDPUC on March 6, 2019 includes recovery of Merricourt costs. The Merricourt generator interconnection agreement with MISO was approved by the FERC in April 2019.

In connection with action by the FERC, OTP and EDF-US agreed, in the First Amendment to the Purchase Agreement and the TEPC Agreement dated June 11, 2019, to change the purchase price to \$37.7 million and to make a related reallocation of responsibility for interconnection costs and liabilities. On July 16, 2019 OTP closed on the purchase of substantially all of the development assets and assumed certain specified liabilities from EDF related to Merricourt pursuant to the Purchase Agreement, as amended, for a purchase price of approximately \$37.7 million, subject to certain adjustments, and issued the notice to EDF-USD to begin construction in August 2019. As of December 31, 2019, OTP had capitalized approximately \$81.7 million in project costs and allowance for funds used during construction (AFUDC) associated with Merricourt. OTP expects this project will be completed in October of 2020.

Astoria Station—OTP is constructing this 245 MW simple-cycle natural gas-fired combustion turbine generation facility near Astoria, South Dakota as part of its plan to reliably meet customers' electric needs, replace expiring capacity purchase agreements and prepare for the planned retirement of its Hoot Lake Plant in 2021. A final order granting an ADP for Astoria Station was issued by the NDPSC on November 3, 2017, subject to certain qualifications and compliance obligations. On August 3, 2018 the SDPUC issued an order granting a site permit for Astoria Station. In a September 26, 2018 hearing the NDPSC established a GCR rider for future recovery of costs incurred for Astoria Station. On March 6, 2019 the SDPUC issued an order approving a settlement that allows a phase-in rider which includes recovery of Astoria Station costs. The interconnection agreement for Astoria Station was executed by MISO in December 2018 and accepted by the FERC in January 2019. Site preparation and excavation began in May 2019. As of December 31, 2019, OTP had capitalized approximately \$58.7 million in project costs and AFUDC associated with Astoria Station. OTP expects this project will be completed in late 2020 or early 2021.

Big Stone South–Ellendale Multi-Value Transmission Project (MVP)—This 345-kiloVolt transmission line, energized on February 6, 2019, extends 162 miles between a substation near Big Stone City, South Dakota and a substation near Ellendale, North Dakota. OTP jointly developed this project with Montana-Dakota Utilities Co., and the parties have equal ownership interest in the transmission line portion of the project. The MISO approved this project as an MVP under the MISO Open Access Transmission, Energy and Operating Reserve Markets Tariff (MISO Tariff) in December 2011. MVPs are designed to enable the MISO region to comply with energy policy mandates and to address reliability and economic issues affecting multiple areas within the MISO region. The cost allocation is designed to ensure the costs of transmission projects with regional benefits are properly assigned to those who benefit from the MVP. OTP capitalized costs of approximately \$106 million on this project, including assets that are 100% owned by OTP.



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| Otter Tail Power Company                  |                                                                                                                       |                                              |                                  |
| NOTES TO FINANCIAL STATEMENTS (Continued) |                                                                                                                       |                                              |                                  |

### General Rates

Minnesota—The MPUC rendered its final decision in OTP’s 2016 general rate case in March 2017 and issued its written order on May 1, 2017. Pursuant to the order, OTP’s allowed rate of return on rate base is 7.5056% and its allowed rate of return on equity (ROE) is 9.41%.

The MPUC’s order also included: (1) the determination that all costs (including FERC allocated costs and revenues) of the Big Stone South–Brookings and Big Stone South–Ellendale MVPs will be included in the Minnesota TCR rider and jurisdictionally allocated to OTP’s Minnesota customers (see discussion under Minnesota Transmission Cost Recovery Rider below), and (2) approval of OTP’s proposal to transition rate base, expenses and revenues from ECR and TCR riders to base rate recovery, which occurred when final rates were implemented on November 1, 2017. Certain MISO expenses and revenues will remain in the TCR rider to allow for the ongoing refund or recovery of these variable revenues and costs.

OTP accrued interim and rider rate refunds until final rates became effective. The final interim rate refund, including interest, of \$9.0 million was applied as a credit to Minnesota customers’ electric bills beginning November 17, 2017. In addition to the interim rate refund, OTP refunded the difference between (1) amounts collected under its Minnesota ECR and TCR riders based on the ROE approved in its most recent rider update and (2) amounts that would have been collected based on the lower 9.41% ROE approved in its 2016 general rate case going back to April 16, 2016, the date interim rates were implemented. The revenues collected under the Minnesota ECR and TCR riders subject to refund due to the lower ROE rate and other adjustments were \$0.9 million and \$1.4 million, respectively. These amounts were refunded to Minnesota customers over a 12-month period beginning in November 2017 through reductions in the Minnesota ECR and TCR rider rates.

North Dakota—On November 2, 2017 OTP filed a request with the NDPSC for a rate review and an effective increase in annual revenues from non-fuel base rates of \$13.1 million or 8.72%. The requested \$13.1 million increase was net of reductions in North Dakota RRA, TCR and ECR rider revenues that would have resulted from a lower allowed ROE and changes in allocation factors in the general rate case. In the request, OTP proposed an allowed return on rate base of 7.97% and an allowed ROE of 10.3%. On December 20, 2017 the NDPSC approved OTP’s request for interim rates to increase annual revenue collections by \$12.8 million, effective January 1, 2018. In response to the reduction in the federal corporate tax rate under the TCJA, the NDPSC issued an order on February 27, 2018 reducing OTP’s annual revenue requirement for interim rates by \$4.5 million to \$8.3 million, effective March 1, 2018.

On March 23, 2018 OTP made a supplemental filing to its initial request for a rate review, reducing its request for an annual revenue increase from \$13.1 million to \$7.1 million, a 4.8% annual increase. The \$6.0 million decrease included \$4.8 million related to tax reform and \$1.2 million related to other updates.

In a September 26, 2018 hearing the NDPSC approved an overall annual revenue increase of \$4.6 million (3.1%) and a ROE of 9.77% on a 52.5% equity capital structure. This compares with OTP’s March 2018 adjusted annual revenue increase request of \$7.1 million (4.8%) and a requested ROE of 10.3%. The NDPSC’s approval did not require any rate base adjustments from OTP’s original request and established a GCR rider for future recovery of costs incurred for Astoria Station. The net revenue increase reflects a reduction in income tax recovery requirements related to the TCJA and decreases in rider revenue recovery requirements. Final rates were effective February 1, 2019, with refunds of excess revenues collected under interim rates applied to customers’ April 2019 bills, including \$0.8 million for amounts collected reflecting the higher tax rates under interim rates in effect in January and February 2018.

South Dakota—On April 20, 2018 OTP filed a request with the SDPUC to increase non-fuel rates in South Dakota by approximately \$3.3 million annually, or 10.1%, as the first step in a two-step request. Interim rates were effective October 18, 2018. The second step in the request was an additional 1.7% revenue increase to recover costs for Merricourt when the wind generation facility goes into service.

The SDPUC approved a partial settlement on March 1, 2019 on all issues of the rate case except ROE. The partial settlement included approval of a phase-in plan to provide for a return on amounts invested in Astoria Station and Merricourt, which addressed the second step of the request for increased rates in South Dakota. The partial settlement also included a moratorium on filing another general rate case in South Dakota until the new generation projects have been in service for a year. The partial settlement also allowed OTP to retain the impact of lower tax rates related to the TCJA from January 1, 2018 through October 17, 2018 resulting in the reversal of an accrued refund liability and recognition of \$1.0 million in revenue in the first quarter of 2019. The SDPUC approved the ROE portion

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| Otter Tail Power Company                  |                                                                                                                       |                                              |                                  |
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of the rate case on May 14, 2019. Pursuant to the May 30, 2019 order, OTP's allowed ROE was set at 8.75%, resulting in an annual revenue increase of approximately \$2.2 million prior to the approval of a June 28, 2019 stipulation agreement discussed below. Final rates went into effect August 1, 2019. An interim rate refund for the lower ROE going back to October 18, 2018 was applied to South Dakota customers' October 2019 bills.

On July 9, 2019 the SDPUC approved a stipulation agreement entered into by OTP with SDPUC staff to increase the revenue requirement stated in the SDPUC's final order dated May 30, 2019 by \$341,000 related to an increase in transmission rate base. The parties agreed that OTP would file an update to its South Dakota TCR rider to include the additional revenue requirement. The TCR rider rate update went into effect on October 1, 2019. The stipulation agreement had the effect of increasing the non-fuel annual revenue increase in the general rate case to approximately \$2.6 million or 7.7%, which is 69% of the adjusted requested annual revenue increase of approximately \$3.7 million or 11.1%.

To ensure rates are appropriately set under the stipulation, the parties agreed to establish an earnings sharing mechanism to share with customers any weather-normalized earnings above the authorized ROE of 8.75%. OTP's annual weather-normalized earnings are reported each year by June 1 in its jurisdictional annual report, which will be used to determine the earnings level for purposes of calculating any refund. The earnings sharing mechanism requires that OTP will refund to customers 50% of any weather-normalized revenue that corresponds to the earnings in excess of its authorized ROE, up to a maximum of 9.50% ROE for a particular year. OTP will refund 100% of any earnings above 9.50% each year. In the event a refund is due under this provision, OTP will notify the SDPUC of the refund amount and plan for crediting customers within 30 days of filing its South Dakota jurisdictional annual report.

#### Rate Riders

OTP has several rate riders in place in each of its state jurisdictional service areas. These rate riders are designed to recover expenses, costs and returns on rate base investments not currently being recovered in base, or general, rates. Following is a brief description and summary of recent proceedings of riders in place in each state served by OTP followed by tables showing revenues recorded under rate riders in 2019 and 2018 and a listing of rate rider updates impacting revenues in 2019 and 2018.

#### Minnesota

Minnesota Conservation Improvement Programs (MNCIP)— OTP recovers conservation related costs not included in base rates under the MNCIP through the use of an annual recovery mechanism approved by the MPUC. On May 25, 2016 the MPUC adopted changes to the MNCIP financial incentive. The model provides utilities an incentive of 12% of 2018 net benefits and 10% of 2019 net benefits, assuming the utility achieves 1.7% savings compared to retail sales. The financial incentive is also limited to 35% of 2018 MNCIP spending and 30% of 2019 spending. The new model reduces the MNCIP financial incentive by approximately 50% compared to the previous incentive mechanism. The Minnesota Department of Commerce (MNDOC) issued a decision on May 20, 2019 to extend all utilities' 2017-2019 MNCIP plans one year, through 2020, with an incentive based on 30% of spending and 10% of net benefits.

Based on results from MNCIP 2019, 2018 and 2017 program years, OTP recognized financial incentives of \$2.7 million for 2019, \$3.0 million for 2018 and \$2.9 million for 2017, of which \$2.6 million was recognized in 2017 with \$0.3 million that had been reserved for potential future refund recognized in 2019.

Transmission Cost Recovery Rider— The Minnesota Public Utilities Act provides a mechanism for automatic adjustment outside of a general rate proceeding to recover the costs of new transmission facilities that meet certain criteria, plus a return on investment at the level approved in a utility's last general rate case. Additionally, following approval of the rate schedule, the MPUC may approve annual rate adjustments filed pursuant to the rate schedule.

In OTP's 2016 general rate case order issued on May 1, 2017, the MPUC ordered OTP to include, in the TCR rider retail rate base, Minnesota's jurisdictional share of OTP's investment in the Big Stone South-Brookings and Big Stone South-Ellendale MVPs and all revenues received from other utilities under MISO's tariffed rates as a credit in its TCR revenue requirement calculations. In doing so, the MPUC's order diverted interstate wholesale revenues that have been approved by the FERC to offset FERC-approved expenses, effectively reducing OTP's recovery of those FERC-approved expense levels. The MPUC-ordered treatment resulted in the projects being treated as retail investments for Minnesota retail ratemaking purposes. Because the FERC's revenue requirements and authorized returns vary from the MPUC revenue requirements and authorized returns for the project investments over the lives of the projects, the impact of this decision can vary over time and be dependent on the differences between the revenue requirements and returns in the

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| Otter Tail Power Company                  |                                                                             |                                              |                                  |
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two jurisdictions at any given time. On August 18, 2017 OTP filed an appeal of the MPUC general rate case order with the Minnesota Court of Appeals to contest the portion of the order requiring OTP to jurisdictionally allocate costs of the FERC MVP transmission projects in the TCR rider.

On June 11, 2018 the Minnesota Court of Appeals reversed the MPUC's order related to the inclusion of Minnesota's jurisdictional share of OTP's investment in the Big Stone South-Brookings and Big Stone South-Ellendale MVPs and all revenues received from other utilities under MISO's tariffed rates as a credit in OTP Minnesota TCR revenue requirement calculations. On July 11, 2018 the MPUC filed a petition for review of the MVP decision to the Minnesota Supreme Court, which granted review of the Minnesota Court of Appeals decision. A decision by the Minnesota Supreme Court is expected in the second quarter of 2020.

On November 30, 2018 OTP filed its annual update and supplemental filing to the Minnesota TCR rider. In this filing two scenarios were submitted based on whether the Minnesota Supreme Court affirms the original decision by the Minnesota Court of Appeals to exclude the MVP projects from the TCR rider or overturns the Minnesota Court of Appeals decision and includes the two MVP projects in the TCR rider. In addition, on April 1, 2019, the MNDOT filed comments in OTP's TCR rider docket, opposing OTP's proposal for TCR rider recovery of these costs. The MPUC is not expected to act on the TCR rider until after the Minnesota Supreme Court has acted and additional briefing has occurred in the docket. The estimated amount credited to Minnesota customers through the TCR rider through December 31, 2019, and subject to recovery if the Minnesota Court of Appeals decision is upheld is approximately \$2.6 million. If the Minnesota Court of Appeals decision is upheld, there will be additional briefing in the pending TCR rider docket regarding the recovery of these costs.

Environmental Cost Recovery Rider—OTP had an ECR rider for recovery of OTP's Minnesota jurisdictional share of the revenue requirements of its investment in the Big Stone Plant Air Quality Control System (AQCS). The ECR rider provided for a return on the project's construction work in progress (CWIP) balance at the level approved in OTP's 2010 general rate case. In its 2016 general rate case order, the MPUC approved OTP's proposal to transition eligible rate base and expense recovery from the ECR rider to base rate recovery effective with implementation of final rates in November 2017. Accordingly, in its 2018 annual update filing OTP requested, and the MPUC approved, setting the Minnesota ECR rider rate to zero effective December 1, 2018.

Renewable Resource Adjustment—Effective November 1, 2017, with the implementation of final rates in Minnesota, new rates were put into effect for the Minnesota RRA rider to address recovery of federal production tax credits (PTCs) expiring on OTP's wind farms in 2017 and 2018. On June 21, 2019 OTP filed its annual update to the Minnesota RRA requesting approval for recovery of the difference in PTCs in base rates and the actual PTCs generated, as well as recovery of Merricourt. On December 19, 2019 the MPUC approved a revised request which included changes related to Merricourt capitalized costs.

Fuel and Purchased Power Costs Recovery—In a December 2017 order, the MPUC adopted a program to implement certain procedural reforms to Minnesota utilities' automatic fuel adjustment clause (FAC) for fuel and purchased power cost recovery. With this order, the method of accounting for all Minnesota electric utilities changed to a monthly budgeted, forward-looking FAC with annual prudence review and true-up to actual allowed costs. On October 31, 2019 the MPUC approved the forecasted monthly fuel cost rates submitted by OTP for 2020 and the rates became effective on January 1, 2020. This mechanism could result in reductions in operating income margins, increase variability in net income in future periods if costs per kwh vary from forecasted costs per kwh and cause an increase in working capital and short-term borrowings in the event recovery of all or a portion of excess costs is delayed or denied by the MPUC.

#### North Dakota

Renewable Resource Adjustment—OTP has a North Dakota RRA which enables OTP to recover its North Dakota jurisdictional share of investments in renewable energy facilities. This rider allows OTP to recover costs associated with new renewable energy projects as they are completed, along with a return on investment.

Effective in February 2019 with the implementation of general rates based on the results of OTP's 2017 general rate case, recovery of renewable resource costs previously being recovered through the North Dakota RRA rider transitioned to recovery in base rates.

On December 31, 2019 OTP filed its annual update to the North Dakota RRA requesting approval for recovery of the difference in PTCs in base rates and the actual PTCs generated, as well as a return on Merricourt costs incurred while under construction. This

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| Otter Tail Power Company                  |                                                                                                                       |                                              |                                  |
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update also included a credit for the remaining unrefunded credit balance in the North Dakota ECR rider tracker on November 30, 2019. OTP received approval March 18, 2020.

Transmission Cost Recovery Rider—North Dakota law provides a mechanism for automatic adjustment outside of a general rate proceeding to recover jurisdictional capital and operating costs incurred by a public utility for new or modified electric transmission facilities. For qualifying projects, the law authorizes a current return on CWIP and a return on investment at the level approved in the utility's most recent general rate case. Based on the order in the 2017 general rate case, only certain costs remained subject to refund or recovery through this rider: Southwest Power Pool (SPP) costs and MISO Schedule 26 and 26A revenues and expenses and costs related to rider projects still under construction in the test year used in the 2017 general rate case.

On December 18, 2019 the NDPSC approved OTP's annual update to its North Dakota TCR rider. The filing included seven new projects, updated costs associated with existing projects, details about the pending MISO ROE complaint, and details about SPP related expenses.

Environmental Cost Recovery Rider—OTP has an ECR rider in North Dakota. The ECR rider provides for a return on investment at the level approved in OTP's preceding general rate case and recovery of OTP's North Dakota share of environmental investments and costs approved for recovery under the rider. Prior to its 2017 general rate case reaching a final settlement and final rates going into effect on February 1, 2019, OTP's North Dakota jurisdictional share of the revenue requirements associated with its investment in the Big Stone Plant AQCS and Hoot Lake Plant Mercury and Air Toxic Standards (MATS) projects were being recovered through the ECR rider. Effective February 1, 2019 these rate base investments are being recovered under general rates and the rider was zeroed out except for an overcollection balance of \$0.5 million that will be refunded to ratepayers through the North Dakota RRA annual update filed on December 31, 2019.

Generation Cost Recovery Rider—On May 15, 2019 the NDPSC approved OTP's request to establish an initial GCR rider rate for recovery of OTP's North Dakota jurisdictional share of the revenue requirements on its investment in Astoria Station, effective on bills rendered after July 1, 2019.

#### South Dakota

Transmission Cost Recovery Rider—South Dakota law provides a mechanism for automatic adjustment outside of a general rate proceeding to recover jurisdictional capital and operating costs incurred by a public utility for new or modified electric transmission facilities. OTP has a TCR rider in South Dakota. A supplemental filing to update the rider was made on January 29, 2018 to reflect updated costs and collections and incorporate the impact of the reduction in the federal corporate income tax rate under the TCJA. Effective October 18, 2018, with the implementation of interim rates under South Dakota general rate case proceedings, the TCR rate was decreased as a result of recovery of certain costs being shifted to recovery in interim rates and included for ongoing recoveries in final base rates at the end of the 2018 general rate case.

OTP made a supplemental filing for the South Dakota TCR rider on February 1, 2019. On February 15, 2019 the SDPUC approved the supplemental filing and rates effective March 1, 2019. Two new projects were approved for recovery under the rider: The Lake Norden area transmission upgrade project with a recovery date effective January 1, 2019 and the Big Stone South–Ellendale project with a recovery date effective January 1, 2020.

On September 17, 2019 the SDPUC approved OTP's supplemental TCR rider filing update request to address the transmission rate base correction disclosed in the 2018 general rate case docket with updated rates effective October 1, 2019.

Environmental Cost Recovery Rider—OTP has an ECR rider in South Dakota. The ECR rider provides for a return on investment at the level approved in OTP's most recent general rate case and for recovery of OTP's South Dakota share of environmental investments and costs approved for recovery under the rider. Prior to interim rates going into effect on October 18, 2018 pending a final decision on OTP's South Dakota general rate increase request, OTP's South Dakota jurisdictional share of the revenue requirements associated with its investment in the Big Stone Plant AQCS and Hoot Lake Plant MATS projects were being recovered through the ECR rider. With the initiation of interim rates, recovery of the costs previously being recovered under the ECR rider was transitioned to recovery under interim rates and the South Dakota ECR rider rate was reset to provide a refund to customers while interim rates were in effect. The ending balance of the South Dakota ECR rider at the conclusion of interim rates was refunded to South Dakota customers along

|                                           |                                                                                                                       |                                              |                                  |
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| Otter Tail Power Company                  |                                                                                                                       |                                              |                                  |
| NOTES TO FINANCIAL STATEMENTS (Continued) |                                                                                                                       |                                              |                                  |

with their October 2019 interim rate refunds.

**Phase-In Rate Plan Rider**—On May 31, 2019 OTP petitioned the SDPUC for approval of its initial rate for the Phase-In Rate Plan Rider as described in OTP's most recent South Dakota general rate case settlement stipulation and was approved by the SDPUC's order in that rate case. The petition is OTP's initial filing for the rider to recover OTP's South Dakota share of actual and forecasted costs for Astoria Station and Merricourt, and to refund forecasted net benefits associated with additional load growth in the Lake Norden area.

On August 21, 2019 the SDPUC approved OTP's supplemental filing for its South Dakota Phase-In Rate Plan Rider effective September 1, 2019.

#### Revenues Recorded under Rate Riders

The following table presents revenue recorded by OTP under rate riders in place in Minnesota, North Dakota and South Dakota for the years ended December 31:

| Rate Rider ( <i>in thousands</i> )                    | 2019             | 2018             |
|-------------------------------------------------------|------------------|------------------|
| <b>Minnesota</b>                                      |                  |                  |
| Conservation Improvement Program Costs and Incentives | \$ 8,271         | \$ 8,127         |
| Renewable Resource Adjustment                         | 5,513            | 3,067            |
| Transmission Cost Recovery                            | 2,497            | (2,039)          |
| Environmental Cost Recovery                           | (1)              | (24)             |
| <b>North Dakota</b>                                   |                  |                  |
| Transmission Cost Recovery                            | 5,292            | 7,016            |
| Generation Cost Recovery                              | 878              | --               |
| Environmental Cost Recovery                           | 550              | 7,318            |
| Renewable Resource Adjustment                         | 230              | 8,529            |
| <b>South Dakota</b>                                   |                  |                  |
| Transmission Cost Recovery                            | 2,165            | 1,664            |
| Conservation Improvement Program Costs and Incentives | 851              | 628              |
| Environmental Cost Recovery                           | (29)             | 1,676            |
| Phase-In Rate Plan                                    | (125)            | --               |
| <b>Total</b>                                          | <b>\$ 26,092</b> | <b>\$ 35,962</b> |

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| Otter Tail Power Company                  |                                                                                                                       |                                              |                                  |
| NOTES TO FINANCIAL STATEMENTS (Continued) |                                                                                                                       |                                              |                                  |

### Rate Rider Updates

The following table provides summary information on the status of updates since January 1, 2017 for the rate riders described above:

| Rate Rider                         | R - Request Date<br>A - Approval Date | Effective Date<br>Requested or<br>Approved | Annual<br>Revenue<br>(\$000s) | Rate            |
|------------------------------------|---------------------------------------|--------------------------------------------|-------------------------------|-----------------|
| <b>Minnesota</b>                   |                                       |                                            |                               |                 |
| Conservation Improvement Program   |                                       |                                            |                               |                 |
| 2018 Incentive and Cost Recovery   | A – December 27, 2019                 | January 1, 2020                            | \$11,926                      | \$0.00710/kwh   |
| 2017 Incentive and Cost Recovery   | A – October 4, 2018                   | November 1, 2018                           | \$10,283                      | \$0.00600/kwh   |
| 2016 Incentive and Cost Recovery   | A – September 15, 2017                | October 1, 2017                            | \$9,868                       | \$0.00536/kwh   |
| Transmission Cost Recovery         |                                       |                                            |                               |                 |
| 2018 Annual Update–Scenario A      | R – November 30, 2018                 | June 1, 2019                               | \$6,475                       | Various         |
| –Scenario B                        |                                       |                                            | \$2,708                       | Various         |
| 2017 Rate Reset                    | A – October 30, 2017                  | November 1, 2017                           | \$(3,311)                     | Various         |
| Environmental Cost Recovery        |                                       |                                            |                               |                 |
| 2018 Annual Update                 | A – November 29, 2018                 | December 1, 2018                           | \$--                          | 0% of base      |
| 2017 Rate Reset                    | A – October 30, 2017                  | November 1, 2017                           | \$(1,943)                     | -0.935% of base |
| Renewable Resource Adjustment      |                                       |                                            |                               |                 |
| 2019 Annual Update – Revised       | A – December 19, 2019                 | January 1, 2020                            | \$12,506                      | \$0.00467/kwh   |
| 2018 Annual Update                 | A – August 29, 2018                   | November 1, 2018                           | \$5,886                       | \$0.00219/kwh   |
| 2017 Rate Reset                    | A – October 30, 2017                  | November 1, 2017                           | \$1,279                       | \$0.00049/kwh   |
| <b>North Dakota</b>                |                                       |                                            |                               |                 |
| Renewable Resource Adjustment      |                                       |                                            |                               |                 |
| 2020 Annual Update                 | A – March 18, 2020                    | April 1, 2020                              | \$3,828                       | 3.744% of base  |
| 2019 Annual Update                 | A – May 1, 2019                       | June 1, 2019                               | \$(235)                       | -0.224% of base |
| 2018 Rate Reset for effect of TCJA | A – February 27, 2018                 | March 1, 2018                              | \$9,650                       | 7.493% of base  |
| 2017 Rate Reset                    | A – December 20, 2017                 | January 1, 2018                            | \$9,989                       | 7.756% of base  |
| Transmission Cost Recovery         |                                       |                                            |                               |                 |
| 2019 Annual Update                 | A – December 18, 2019                 | January 1, 2020                            | \$5,739                       | Various         |
| 2018 Supplemental Update           | A – December 6, 2018                  | February 1, 2019                           | \$4,801                       | Various         |
| 2018 Rate Reset for effect of TCJA | A – February 27, 2018                 | March 1, 2018                              | \$7,469                       | Various         |
| 2017 Annual Update                 | A – November 29, 2017                 | January 1, 2018                            | \$7,959                       | Various         |
| Environmental Cost Recovery        |                                       |                                            |                               |                 |
| 2019 Update                        | A – October 22, 2019                  | November 1, 2019                           | \$--                          | 0% of base      |
| 2018 Update                        | A – December 19, 2018                 | February 1, 2019                           | \$(378)                       | -0.310% of base |
| 2018 Rate Reset for effect of TCJA | A – February 27, 2018                 | March 1, 2018                              | \$7,718                       | 5.593% of base  |
| 2017 Rate Reset                    | A – December 20, 2017                 | January 1, 2018                            | \$8,537                       | 6.629% of base  |
| Generation Cost Recovery           |                                       |                                            |                               |                 |
| 2020 Annual Update                 | R – March 2, 2020                     | July 1, 2020                               | \$6,184                       | 6.041% of base  |
| 2019 Initial Request               | A – May 15, 2019                      | July 1, 2019                               | \$2,720                       | 2.547% of base  |
| <b>South Dakota</b>                |                                       |                                            |                               |                 |
| Transmission Cost Recovery         |                                       |                                            |                               |                 |
| 2020 Annual Update                 | A – February 18, 2020                 | March 1, 2020                              | \$2,407                       | Various         |
| 2019 Rate Reset                    | A – September 17, 2019                | October 1, 2019                            | \$2,046                       | Various         |
| 2019 Annual Update                 | A – February 20, 2019                 | March 1, 2019                              | \$1,638                       | Various         |
| 2018 Interim Rate Reset            | A – October 18, 2018                  | October 18, 2018                           | \$1,171                       | Various         |
| 2017 Annual Update                 | A – February 28, 2018                 | March 1, 2018                              | \$1,779                       | Various         |
| Environmental Cost Recovery        |                                       |                                            |                               |                 |
| 2018 Interim Rate Reset            | A – October 18, 2018                  | October 18, 2018                           | \$(189)                       | -\$0.00075/kwh  |
| 2017 Annual Update                 | A – October 13, 2017                  | November 1, 2017                           | \$2,082                       | \$0.00483/kwh   |
| Phase-In Rate Plan Recovery        |                                       |                                            |                               |                 |
| 2019 Initial Request               | A – August 21, 2019                   | September 1, 2019                          | \$864                         | 3.345% of base  |



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| Otter Tail Power Company                  |                                                                                                                       |                                              |                                  |
| NOTES TO FINANCIAL STATEMENTS (Continued) |                                                                                                                       |                                              |                                  |

## TCJA

The TCJA, passed in December 2017, reduced the federal corporate income tax rate from 35% to 21%, effective January 1, 2018. At the time of passage, all OTP's rates had been developed using a 35% tax rate. The MPUC, the NDPSC, the SDPUC and the FERC each initiated dockets or proceedings to begin working with utilities to assess the impact of the lower rates on electric rates, and to develop regulatory strategies to incorporate the tax change into future rates, if warranted.

The MPUC required regulated utilities providing service in Minnesota to make filings by February 15, 2018. On August 9, 2018 the MPUC determined the impacts of the TCJA as calculated, including amortization of excess accumulated deferred income taxes, should be refunded and rates should be adjusted going forward to account for the impacts of the TCJA. On December 5, 2018 the MPUC released its final order related to the TCJA docket directing OTP to return to ratepayers, in a one-time refund, the TCJA-related savings accrued prior to the refund effective date. The order also directs OTP to use these savings to reduce customers' base rates prospectively, allocating the savings to customers in proportion to the size of each customer's bill, or to each customer class in proportion to the class's size. New rates reflecting the reduction in revenue requirements related to the TCJA tax rate reduction went into effect June 1, 2019. A one-time refund to Minnesota customers of \$11.5 million in excess of amounts billed from January 2018 through May 2019 occurred in August and September 2019.

As described above, OTP's recent general rate cases in North Dakota and South Dakota reflected the impact of the TCJA in interim rates. OTP accrued refund liabilities for the time periods during which revenues were collected under rates set to recover higher levels of federal income taxes than OTP incurred under the lower federal tax rates in the TCJA.

## FERC

Wholesale power sales and transmission rates are subject to the jurisdiction of the FERC under the Federal Power Act of 1935 (Federal Power Act). The FERC is an independent agency with jurisdiction over rates for wholesale electricity sales, transmission and sale of electric energy in interstate commerce, interconnection of facilities, and accounting policies and practices. Filed rates are effective after a suspension period, subject to ultimate approval by the FERC.

**MVPs**—MVPs are designed to enable the MISO region to comply with energy policy mandates and to address reliability and economic issues affecting multiple transmission zones within the MISO region. The cost allocation is designed to ensure that the costs of transmission projects with regional benefits are properly assigned to those who benefit from the MVP.

**ROE**—On November 12, 2013 a group of industrial customers and other stakeholders filed a complaint with the FERC seeking to reduce the ROE component of the transmission rates that MISO transmission owners, including OTP, may collect under the MISO Tariff. The complainants sought to reduce the 12.38% ROE used in MISO's transmission rates to a proposed 9.15%. The complaint established a 15-month refund period from November 12, 2013 to February 11, 2015. A non-binding decision by the presiding Administrative Law Judge (ALJ) was issued on December 22, 2015 finding that the MISO transmission owners' ROE should be 10.32%, and the FERC issued an order on September 28, 2016 setting the base ROE at 10.32%. Several parties requested rehearing of the September 2016 order.

On November 6, 2014 a group of MISO transmission owners, including OTP, filed for a FERC incentive of an additional 50 basis points for Regional Transmission Organization participation (RTO Adder). On January 5, 2015 the FERC granted the request, deferring collection of the RTO Adder until the FERC issued its order in the ROE complaint proceeding. Based on the FERC adjustment to the MISO Tariff ROE resulting from the November 12, 2013 complaint and OTP's incentive rate filing, OTP's ROE went to 10.82% (a 10.32% base ROE plus the 0.5% RTO Adder) effective September 28, 2016.

On February 12, 2015 another group of stakeholders filed a complaint with the FERC seeking to reduce the ROE component of the transmission rates that MISO transmission owners, including OTP, may collect under the MISO Tariff from 12.38% to a proposed 8.67%. This second complaint established a second 15-month refund period from February 12, 2015 to May 11, 2016. The FERC issued an order on June 18, 2015 setting the complaint for hearings before an ALJ, which were held the week of February 16, 2016. A non-binding decision by the presiding ALJ was issued on June 30, 2016 finding that the MISO transmission owners' ROE should be 9.7%.

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| NOTES TO FINANCIAL STATEMENTS (Continued) |                                                                                                                       |                                              |                                  |

Based on the probable reduction by the FERC in the ROE component of the MISO Tariff, OTP had a \$2.7 million liability on its balance sheet as of December 31, 2016, representing OTP's best estimate of the refund obligations that would arise, net of amounts that would be subject to recovery under state jurisdictional TCR riders, based on a reduced ROE. MISO processed the refund for the FERC-ordered reduction in the MISO Tariff allowed ROE for the first 15-month refund period in its February and June 2017 billings. The refund, in combination with a decision in the 2016 Minnesota general rate case that affected the Minnesota TCR rider, resulted in a reduction in OTP's accrued MISO Tariff ROE refund liability from \$2.7 million on December 31, 2016 to \$1.6 million as of September 30, 2019.

On March 1, 2019 the FERC issued a Notice of Inquiry (NOI) seeking comment on whether, and if so how, it should modify its policies concerning the determination of the ROE used in designing jurisdictional rates charged by public utilities. For years, the FERC has utilized a particular two-step, analysis to establish ROEs for utilities and natural gas interstate pipelines. The NOI sought comments on whether it should develop ROEs using a different financial model. The NOI also sought comments, among other things, on the continued use of RTO Adders.

On November 21, 2019 the FERC adopted a different two-step ROE model and capital asset pricing model to determine whether a jurisdictional public utility's rate of ROE is just and reasonable under section 206 of the Federal Power Act. Applying the new methodology in complaints against the MISO transmission owners, the FERC determined that the MISO transmission owners' current base ROE should be 9.88%. The FERC also stated it will use ranges of presumptively just and reasonable ROEs in its analysis of whether existing ROEs have become unjust and unreasonable. This order also implemented the FERC's revised methodology in the two complaints against the MISO transmission owners' base ROE. The order granted rehearing on the first complaint, found the existing 12.38% ROE unjust and unreasonable, and directed the MISO transmission owners to adopt a 9.88% ROE effective September 28, 2016, and to provide refunds. The order also dismissed the second complaint and found that the record in that proceeding did not support a finding that the 9.88% ROE established in the first complaint proceeding had become unjust and unreasonable.

As a result of the FERC granting rehearing on the first complaint and finding the existing 12.38% ROE unjust and unreasonable and directing the MISO transmission owners to adopt a 9.88% ROE, OTP increased its refund provision related to the ROE complaints from \$1.6 million to \$3.0 million as of December 31, 2019. The \$3.0 million includes provisions for:

- an additional \$0.2 million refund related to the first complaint as a result of reducing the reasonable ROE from 10.32%, established in the FERC's September 28, 2016 refund order, to the newly established 9.88% ROE,
- a \$1.3 million refund for the period from September 28, 2016 through December 31, 2019 related to a reduction in the current ROE from 10.82% to 10.38% based on the newly established 9.88% reasonable ROE for the first complaint period plus the 50-point RTO adder granted by the FERC on January 5, 2015, and
- a \$1.5 million refund related to the second complaint period in response to requests for rehearing on the FERC's decision to dismiss the second complaint based on a potential reduction in the reasonable ROE for that period from 12.38% to 9.88% plus the 50-point RTO adder.

In response to the FERC's November 21, 2019 order, the MISO Transmission Owners (including OTP) and others filed requests seeking rehearing of the FERC's November 21, 2019 order, and a group of parties filed with the United States Court of Appeals for the District of Columbia a protective appeal.

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| Otter Tail Power Company                  |                                                                                                                       |                                              |                                  |
| NOTES TO FINANCIAL STATEMENTS (Continued) |                                                                                                                       |                                              |                                  |

### 3. Regulatory Assets and Liabilities

As a regulated entity, OTP accounts for the financial effects of regulation in accordance with ASC 980. This accounting standard allows for the recording of a regulatory asset or liability for costs that will be collected or refunded in the future as required under regulation. Additionally, ASC 980-605-25 provides for the recognition of revenues authorized for recovery outside of a general rate case under alternative revenue programs which provide for recovery of costs and incentives or returns on investment in such items as transmission infrastructure, renewable energy resources or conservation initiatives. The following tables indicate the amount of regulatory assets and liabilities recorded on the OTP's balance sheets:

| <i>(in thousands)</i>                                                                               | December 31, 2019 | Remaining<br>Recovery/<br>Refund Period<br>(months) |
|-----------------------------------------------------------------------------------------------------|-------------------|-----------------------------------------------------|
| <b>Other Regulatory Assets:</b>                                                                     |                   |                                                     |
| Prior Service Costs and Actuarial Losses on Pensions and Other Postretirement Benefits <sup>1</sup> | \$138,192         | see below                                           |
| Accumulated Asset Retirement Obligation (ARO) Accretion/Depreciation Adjustment <sup>1</sup>        | 7,772             | asset lives                                         |
| Conservation Improvement Program Costs and Incentives                                               | 6,868             | 21                                                  |
| Minnesota Transmission Cost Recovery Rider Accrued Revenues                                         | 4,208             | 12                                                  |
| MISO Schedule 26/26A Transmission Cost Recovery Rider True-up <sup>1</sup>                          | 3,001             | 24                                                  |
| Deferred Marked-to-Market Losses <sup>1</sup>                                                       | 743               | 12                                                  |
| South Dakota Deferred Rate Case Expenses Subject to Recovery <sup>1</sup>                           | 383               | 34                                                  |
| North Dakota Deferred Rate Case Expenses Subject to Recovery <sup>1</sup>                           | 366               | 0                                                   |
| Minnesota SPP Transmission Cost Recovery Tracker <sup>1</sup>                                       | 202               | 36                                                  |
| Minnesota Renewable Resource Rider Accrued Revenues                                                 | 131               | 12                                                  |
| South Dakota Transmission Cost Recovery Rider Accrued Revenues                                      | 97                | 2                                                   |
| Minnesota Environmental Cost Recovery Rider Accrued Revenues                                        | 4                 | 12                                                  |
| <b>Total Other Regulatory Assets</b>                                                                | <b>\$161,968</b>  |                                                     |
| <b>Other Regulatory Liabilities:</b>                                                                |                   |                                                     |
| Deferred Income Taxes                                                                               | \$141,707         | asset lives                                         |
| Refundable Fuel Clause Adjustment Revenues – Minnesota                                              | 3,984             | 12                                                  |
| North Dakota Renewable Resource Recovery Rider Accrued Refund                                       | 1,515             | 12                                                  |
| North Dakota Transmission Cost Recovery Rider Accrued Refund                                        | 700               | 12                                                  |
| Prior Service Costs and Actuarial Gains on Postretirement Benefits                                  | 471               | 12                                                  |
| Revenue for Rate Case Expenses Subject to Refund – Minnesota                                        | 401               | see below                                           |
| South Dakota Phase-In Rate Plan Rider Accrued Refund                                                | 355               | 9                                                   |
| North Dakota Generation Cost Recovery Rider Accrued Refund                                          | 287               | 6                                                   |
| Minnesota Energy Intensive Trade Exposed Rider Accrued Refund                                       | 163               | 12                                                  |
| Other                                                                                               | 78                | 168                                                 |
| <b>Total Other Regulatory Liabilities</b>                                                           | <b>\$149,661</b>  |                                                     |
| <b>Net Other Regulatory Asset Position</b>                                                          | <b>\$12,307</b>   |                                                     |

<sup>1</sup> Costs subject to recovery without a rate of return.

|                                           |                                                                                                                       |                                              |                                  |
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| NOTES TO FINANCIAL STATEMENTS (Continued) |                                                                                                                       |                                              |                                  |

| <i>(in thousands)</i>                                                                               | December 31, 2018 | Remaining<br>Recovery/<br>Refund Period<br>(months) |
|-----------------------------------------------------------------------------------------------------|-------------------|-----------------------------------------------------|
| Other Regulatory Assets:                                                                            |                   |                                                     |
| Prior Service Costs and Actuarial Losses on Pensions and Other Postretirement Benefits <sup>1</sup> | \$124,779         | see below                                           |
| Accumulated ARO Accretion/Depreciation Adjustment <sup>1</sup>                                      | 7,169             | asset lives                                         |
| Conservation Improvement Program Costs and Incentives                                               | 9,280             | 21                                                  |
| Deferred Marked-to-Market Losses <sup>1</sup>                                                       | 2,404             | 24                                                  |
| Minnesota Transmission Cost Recovery Rider Accrued Revenues                                         | 444               | 12                                                  |
| Deferred Income Taxes <sup>1</sup>                                                                  | 2,423             | asset lives                                         |
| North Dakota Deferred Rate Case Expenses Subject to Recovery <sup>1</sup>                           | 455               | 12                                                  |
| MISO Schedule 26/26A Transmission Cost Recovery Rider True-up <sup>1</sup>                          | 240               | 12                                                  |
| South Dakota Deferred Rate Case Expenses Subject to Recovery <sup>1</sup>                           | 178               | 12                                                  |
| Minnesota SPP Transmission Cost Recovery Tracker <sup>1</sup>                                       | 176               | see below                                           |
| Minnesota Energy Intensive Trade Exposed Rider Accrued Revenues <sup>1</sup>                        | 327               | 4                                                   |
| Minnesota Environmental Cost Recovery Rider Accrued Revenues                                        | 121               | 12                                                  |
| Minnesota Renewable Resource Rider Accrued Revenues                                                 | 452               | 12                                                  |
| North Dakota Environmental Cost Recovery Rider Accrued Revenues                                     | 17                | 12                                                  |
| <b>Total Other Regulatory Assets</b>                                                                | <b>\$148,465</b>  |                                                     |
| Other Regulatory Liabilities:                                                                       |                   |                                                     |
| Deferred Income Taxes                                                                               | \$142,779         | asset lives                                         |
| South Dakota Environmental Cost Recovery Rider Accrued Refund                                       | 207               | 12                                                  |
| North Dakota Transmission Cost Recovery Rider Accrued Refund                                        | 60                | 12                                                  |
| North Dakota Renewable Resource Recovery Rider Accrued Refund                                       | 177               | 12                                                  |
| Revenue for Rate Case Expenses Subject to Refund – Minnesota                                        | 166               | see below                                           |
| MISO Schedule 26/26A Transmission Cost Recovery Rider True-up                                       | 187               | 24                                                  |
| South Dakota Transmission Cost Recovery Rider Accrued Refund                                        | 168               | 12                                                  |
| Other                                                                                               | 84                | 180                                                 |
| <b>Total Other Regulatory Liabilities</b>                                                           | <b>\$143,828</b>  |                                                     |
| <b>Net Other Regulatory Asset Position</b>                                                          | <b>\$4,637</b>    |                                                     |

<sup>1</sup> Costs subject to recovery without a rate of return.

The regulatory asset and liability related to prior service costs and actuarial losses on pensions and other postretirement benefits represents benefit costs and actuarial losses and gains subject to recovery or refund through rates as they are expensed. These unrecognized benefit costs and actuarial losses and gains are required to be recognized as components of Accumulated Other Comprehensive Income in equity under ASC Topic 715, *Compensation—Retirement Benefits*, but are eligible for treatment as regulatory assets or liabilities based on their probable inclusion in future retail electric rates.

The Accumulated ARO Accretion/Depreciation Adjustment will accrete and be amortized over the lives of property with asset retirement obligations.

Conservation Improvement Program Costs and Incentives represent mandated conservation expenditures and incentives recoverable through retail electric rates.

|                                           |                                                                                                                       |                                              |                                  |
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| NOTES TO FINANCIAL STATEMENTS (Continued) |                                                                                                                       |                                              |                                  |

The Minnesota Transmission Cost Recovery Rider Accrued Revenues relate to revenues earned on qualifying transmission system facilities and operating costs incurred to serve Minnesota customers that were recoverable from Minnesota customers as of the balance sheet date.

MISO Schedule 26/26A Transmission Cost Recovery Rider True-ups relate to the over/under collection of revenue based on comparison of the expected versus actual construction on eligible projects in the period. The true-ups also include the state jurisdictional portion of MISO Schedule 26/26A for regional transmission cost recovery that was included in the calculation of the state transmission riders and subsequently adjusted to reflect actual billing amounts in the schedule.

All Deferred Marked-to-Market Losses recorded as of the balance sheet date relate to forward purchases of energy scheduled for delivery through December 2020.

South Dakota Deferred Rate Case Expenses Subject to Recovery relate to costs incurred in conjunction with OTP's most recent rate case in South Dakota and are currently being recovered beginning with the establishment of interim rates in October 2018.

North Dakota Deferred Rate Case Expenses Subject to Recovery relate to costs incurred in conjunction with OTP's most recent rate case in North Dakota currently being recovered beginning with the establishment of interim rates in January 2018.

The Minnesota SPP Transmission Cost Recovery Tracker regulatory asset relates to costs incurred to serve Minnesota customers that are subject to recovery but that had not been billed to Minnesota customers as of the balance sheet date.

The Minnesota Renewable Resource Recovery Rider Accrued Revenues relate to revenues earned on qualifying renewable resource costs incurred to serve Minnesota customers that were recoverable from Minnesota customers as of the balance sheet date.

The South Dakota Transmission Cost Recovery Rider Accrued Revenues relate to revenues earned on qualifying transmission system facilities and operating costs incurred to serve South Dakota customers that were recoverable from South Dakota customers as of the balance sheet date.

The Minnesota Environmental Cost Recovery Rider Accrued Revenues relate to revenues earned on the Minnesota share of OTP's investment in the Big Stone Plant AQCS project that were recoverable from Minnesota customers as of the balance sheet date.

The regulatory asset and liability related to Deferred Income Taxes results from changes in statutory tax rates accounted for in accordance with ASC Topic 740, *Income Taxes*.

Minnesota Energy Intensive Trade Exposed Rider Accrued Revenues relate to revenues recorded for fuel and purchased power costs reductions provided to customers in energy intensive trade exposed industries that were subject to recovery from other Minnesota customers as of the balance sheet date.

North Dakota Environmental Cost Recovery Rider Accrued Revenues relate to revenues earned on the North Dakota share of OTP's investments in the Big Stone Plant AQCS and Hoot Lake Plant MATS projects and for reagent and emission allowances costs that were recoverable from North Dakota customers as of the balance sheet date.

The North Dakota Renewable Resource Recovery Rider Accrued Refund relates to amounts collected for qualifying renewable resource costs incurred to serve North Dakota customers that were refundable to North Dakota customers as of the balance sheet date.

The North Dakota Transmission Cost Recovery Rider Accrued Refund relates to amounts collected for qualifying transmission system facilities and operating costs incurred to serve North Dakota customers that were refundable to North Dakota customers as of the balance sheet date.

Revenue for Rate Case Expenses Subject to Refund – Minnesota relates to revenues collected under general rates to recover costs related to prior rate case proceedings in excess of the actual costs incurred.

|                                           |                                                                                                                       |                                              |                                  |
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| Name of Respondent                        | This Report is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>2019/Q4 |
| Otter Tail Power Company                  |                                                                                                                       |                                              |                                  |
| NOTES TO FINANCIAL STATEMENTS (Continued) |                                                                                                                       |                                              |                                  |

The South Dakota Phase-In Rate Plan Rider Accrued Refund relates to amounts collected for actual and forecasted costs for Astoria Station, Merricourt, and additional load growth that were refundable to South Dakota customers as of the balance sheet date.

The North Dakota Generation Cost Recovery Rider Accrued Refund relates to revenues collected under the rider in excess of returns allowed on recoverable costs incurred for the North Dakota share of OTP's investment in Astoria Station, a natural gas-fired combustion turbine generation facility under construction near Astoria, South Dakota. The balance represents amounts subject to refund to North Dakota customers that had been billed to North Dakota customers as of the balance sheet date.

The Minnesota Energy Intensive Trade Exposed Rider Accrued Refund relates to over-collected amounts from Minnesota retail customers for fuel and purchased power costs reductions provided to customers in energy intensive trade exposed industries that were subject to refund to Minnesota customers as of the balance sheet date.

The South Dakota Transmission Cost Recovery Rider Accrued Refund relates to amounts collected for qualifying transmission system facilities and operating costs incurred to serve South Dakota customers that were refundable to South Dakota customers as of the balance sheet date.

The South Dakota Environmental Cost Recovery Rider Accrued Refund relates to amounts collected on the South Dakota share of OTP's investments in the Big Stone Plant AQCS and Hoot Lake Plant MATS projects that were refundable to South Dakota customers as of the balance sheet date.

If for any reason OTP ceases to meet the criteria for application of guidance under ASC 980 for all or part of its operations, the regulatory assets and liabilities that no longer meet such criteria would be removed from OTP's balance sheet and included in its statement of income as an expense or income item in the period in which the application of guidance under ASC 980 ceases.

#### 4. Common Shareholder's Equity

OTP has issued and outstanding 100 shares of common stock with a par value of \$5 per share, with the sole holder of these shares being Otter Tail Corporation. Otter Tail Corporation made cash equity contributions to OTP totaling \$35 million in 2019 and \$25 million in 2018.

#### 5. Retained Earnings and Dividend Restriction

OTP's credit agreements contain restrictions on the payment of cash dividends upon a default or event of default. An event of default would be considered to have occurred if OTP did not meet certain financial covenants. As of December 31, 2019 OTP, was in compliance with these financial covenants. See note 8 for further information on the covenants.

Under the Federal Power Act, a public utility may not pay dividends from any funds properly included in a capital account. What constitutes "funds properly included in a capital account" is undefined in the Federal Power Act or the related regulations; however, the FERC has consistently interpreted the provision to allow dividends to be paid as long as (1) the source of the dividends is clearly disclosed, (2) the dividend is not excessive and (3) there is no self-dealing on the part of corporate officials.

The MPUC indirectly limits the amount of dividends OTP can pay to Otter Tail Corporation by requiring an equity-to-total-capitalization ratio between 46.0% and 56.2% based on OTP's 2019 capital structure petition effective by order of the MPUC on July 19, 2019. As of December 31, 2019, OTP's equity-to-total-capitalization ratio including short-term debt was 51.2% and its net assets restricted from distribution totaled approximately \$519 million. Under the 2019 capital structure petition, total capitalization for OTP cannot exceed \$1,331,302,000.

#### 6. Leases

OTP has obligations to make future operating lease payments primarily related to coal rail-car leases. OTP's rail car lease payments are charged to fuel inventory and then expensed to production fuel as a component of fuel cost when fuel is burned. OTP also leases office and operating equipment with lease payments charged to rent expense and reported in other operation and maintenance expenses in the statements of income. From time to time, OTP will lease construction equipment or land for lay-down yards for materials used



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| Otter Tail Power Company                  |                                                                                                                       |                                              |                                  |
| NOTES TO FINANCIAL STATEMENTS (Continued) |                                                                                                                       |                                              |                                  |

on capital projects. These leases are generally short term in nature with the lease payments being charged to the related construction project and included in construction work in progress or plant in service after the project is completed and placed in service. OTP currently has no assets held under capital leases.

Lease payment expenses including payments for rail car leases totaled \$1,680,988 in 2019.

The amounts of OTP's future operating leases obligations as of December 31, 2019 are as follows:

| <i>(in thousands)</i> |          |
|-----------------------|----------|
| 2020                  | \$1,243  |
| 2021                  | 1,228    |
| 2022                  | 326      |
| 2023                  | 268      |
| 2024                  | 217      |
| Beyond 2024           | 283      |
| Total                 | \$ 3,565 |

In February 2016, the FASB issued ASU No. 2016-02. The new standard requires lessees to record assets and liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. OTP adopted the new standard on January 1, 2019 as required under GAAP. This standard has no impact on FERC reporting.

## 7. Commitments and Contingencies

### Construction and Other Purchase Commitments

At December 31, 2019 OTP had commitments under contracts, including its share of construction program and other commitments, extending into 2021 of approximately \$317 million. OTP's other commitments charged to rent expense totaled \$283,000 and \$252,000 in 2019 and 2018, respectively.

### Electric Utility Capacity and Energy Requirements and Coal Purchase and Delivery Contracts

OTP has commitments for the purchase of capacity and energy requirements under agreements extending into 2043. OTP also has contracts providing for the purchase and delivery of a significant portion of its current coal requirements. OTP's current coal purchase agreements for Coyote Station expire at the end of 2040. OTP's current coal purchase agreements for Big Stone Plant expire at the end of 2020. OTP has an agreement with Peabody COALSALES, LLC for the purchase of subbituminous coal for Big Stone Plant's coal requirements through December 31, 2020. There is no fixed minimum purchase requirement under this agreement but all of Big Stone Plant's coal requirements for the period covered must be purchased under this agreement. OTP has an all-requirements agreement with Navajo Transitional Energy Co. (NTEC) for the purchase of subbituminous coal for Hoot Lake Plant through December 31, 2023. There are no fixed minimum purchase requirements under this agreement. In October 2019, NTEC purchased the assets of Cloud Peak Energy Resources LLC, including its Spring Creek Mine in southeast Montana, through bankruptcy court. For a two-day period in October, operations at the Spring Creek Mine were suspended due to a disagreement between the Montana Department of Environmental Quality and the NTEC. Subsequent to the suspension of operations, the two parties have agreed to allow the mine to operate for an additional period while they work to resolve differences regarding the NTEC's waiver of sovereign immunity from the state's environmental laws.

### OTP Land Easements

OTP has commitments to make future payments for land easements not classified as leases, extending into 2034 of approximately \$10.2 million. Land easement payments charged to rent expense totaled \$617,000 and \$605,000 in 2019 and 2018, respectively.

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| Otter Tail Power Company                  |                                                                                                                       |                                              |                                  |
| NOTES TO FINANCIAL STATEMENTS (Continued) |                                                                                                                       |                                              |                                  |

The amounts of OTP's construction program and other commitments and commitments under capacity and energy agreements, coal purchase and coal delivery contracts and land easements as of December 31, 2019, are as follows:

| <i>(in thousands)</i> | Construction Program<br>and Other Commitments | Capacity and Energy<br>Requirements | Coal Purchase<br>Commitments | OTP Land Easement<br>Payments |
|-----------------------|-----------------------------------------------|-------------------------------------|------------------------------|-------------------------------|
| 2020                  | \$ 269,744                                    | \$ 24,844                           | \$ 22,644                    | \$ 630                        |
| 2021                  | 47,201                                        | 12,988                              | 22,935                       | 642                           |
| 2022                  | 1                                             | 11,827                              | 22,793                       | 655                           |
| 2023                  | --                                            | 11,827                              | 23,955                       | 668                           |
| 2024                  | --                                            | 11,801                              | 24,369                       | 682                           |
| Beyond 2024           | --                                            | 131,913                             | 479,123                      | 6,931                         |
| Total                 | \$ 316,946                                    | \$ 205,200                          | \$ 595,819                   | \$ 10,208                     |

#### Contingencies

OTP had a \$3.0 million refund liability on its balance sheet as of December 31, 2019. This represents its best estimate of the refund obligations that would arise net of amounts that would be subject to recovery under state jurisdictional TCR riders. This is based on the outcome of the appeals of the FERC ruling reducing the ROE component of the MISO Tariff and ordering MISO to refund amounts charged in excess of the lower rate. As discussed in note 2 in greater detail, OTP believes its estimated accrued refund liability is appropriate based on the current facts and circumstances and is awaiting results of the appeal before determining if a change in this estimate will be needed.

Contingencies, by their nature, relate to uncertainties that require OTP's management to exercise judgment both in assessing the likelihood a liability has been incurred as well as in estimating the amount of potential loss. In addition to the potential ROE refund described above, the most significant contingencies that could impact OTP's financial statements are those related to environmental remediation and risks associated with adverse regulatory decisions that could impact the recovery of fixed asset costs in future rates and litigation matters.

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| NOTES TO FINANCIAL STATEMENTS (Continued) |                                                                                                                       |                                              |                                  |

On August 30, 2019 OTP submitted a depreciation technical update to the MPUC for approval. MPUC approval of OTP's depreciation technical update is currently pending resolution of a disagreement with the MNDOC over the remaining lives assigned to certain of OTP's fixed assets, including Hoot Lake Plant and seven hydroelectric plants. Resolution of the disagreement could result in an increase in depreciation expense without provision for recovery of a portion of the unrecovered costs of those assets. OTP cannot determine at this time what portion, if any, of the current unrecovered costs of these assets would be lost as a result of resolving the disagreement over remaining lives, but estimates that the remaining useful lives recommended by the MNDOC could result in an asset impairment charge and after-tax reduction in net income of up to \$1.1 million.

State implementation of pollution control plans to improve visibility and air quality at national parks under the EPA's Regional Haze Rule (RHR) could require OTP to incur significant new costs, which could, dependent on determinations by state regulatory commissions on approval to recover such costs from customers, negatively impact OTP's net income, financial position and cash flows. OTP understands that the North Dakota Department of Environmental Quality (NDDEQ) intends to require sources subject to RHR Round 2 reasonable progress determinations, including Coyote Station, to undertake emissions control measures that are reasonably consistent with those required of sources during Round 1. While this process is still in the early stages, if the NDDEQ maintains its initial position, OTP anticipates that significant emissions controls would be required at Coyote Station by December 31, 2028 in order to maintain compliance with the RHR. Plans are due to be submitted to the EPA by July 2021. OTP expects the NDDEQ to begin drafting preliminary control scenarios for regional visibility modeling in the first quarter of 2020 and a state implementation plan in mid-2020. On March 3, 2020 NDDEQ provided their initial recommendation for Round 2 Coyote Station control recommendations to the Western Regional Air Partnership. In light of the costs for such emissions control equipment, there are scenarios where it may not be economically feasible to invest in such equipment and an early retirement of the Coyote Station would therefore be necessary. The costs related to an early retirement of Coyote Station would be material to OTP and would be subject to state commission approval for recovery from customers.

#### Other

OTP is a party to litigation and regulatory enforcement matters arising in the normal course of business. OTP regularly analyzes current information and, as necessary, provides accruals for liabilities that are probable of occurring and that can be reasonably estimated. OTP believes the effect on its results of operations, financial position and cash flows, if any, for the disposition of all matters pending as of December 31, 2019, other than those relating to the RHR, will not be material.

## **8. Short-Term and Long-Term Borrowings**

### **Short-Term Debt**

The following table presents the status of OTP's line of credit as of December 31, 2019 and December 31, 2018:

| <i>(in thousands)</i> | Line Limit | In Use on<br>December 31,<br>2019 | Restricted due to<br>Outstanding<br>Letters of Credit | Available on<br>December 31,<br>2019 | Available on<br>December<br>31, 2018 |
|-----------------------|------------|-----------------------------------|-------------------------------------------------------|--------------------------------------|--------------------------------------|
| OTP Credit Agreement  | \$170,000  | --                                | \$15,476                                              | \$154,524                            | \$160,316                            |

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| Otter Tail Power Company                  |                                                                                                                       |                                              |                                  |
| NOTES TO FINANCIAL STATEMENTS (Continued) |                                                                                                                       |                                              |                                  |

The following table provides a breakdown of OTP's short-term and long-term debt outstanding as of December 31, 2019 and December 31, 2018:

| (in thousands)                                                                | December 31,<br>2019 | December 31,<br>2018 |
|-------------------------------------------------------------------------------|----------------------|----------------------|
| <b>Short-Term Debt</b>                                                        | \$ --                | \$9,384              |
| <b>Long-Term Debt:</b>                                                        |                      |                      |
| Senior Unsecured Notes 4.63%, Series 2011A, due December 1, 2021              | \$140,000            | \$140,000            |
| Senior Unsecured Notes 6.15%, Series 2007B, due August 20, 2022               | 30,000               | 30,000               |
| Senior Unsecured Notes 6.37%, Series 2007C, due August 20, 2027               | 42,000               | 42,000               |
| Senior Unsecured Notes 4.68%, Series 2013A, due February 27, 2029             | 60,000               | 60,000               |
| Senior Unsecured Notes 3.07%, Series 2019A, due October 10, 2029 <sup>1</sup> | 10,000               | --                   |
| Senior Unsecured Notes 6.47%, Series 2007D, due August 20, 2037               | 50,000               | 50,000               |
| Senior Unsecured Notes 3.52%, Series 2019B, due October 10, 2039              | 26,000               | -                    |
| Senior Unsecured Notes 5.47%, Series 2013B, due February 27, 2044             | 90,000               | 90,000               |
| Senior Unsecured Notes 4.07%, Series 2018A, due February 7, 2048              | 100,000              | 100,000              |
| Senior Unsecured Notes 3.82%, Series 2019C, due October 10, 2049              | 64,000               | --                   |
| <b>Total Long-Term Debt</b>                                                   | <b>\$612,000</b>     | <b>\$512,000</b>     |

<sup>1</sup>Holder is COBANK, a cooperative lender. Interest payments are subject to cash credits which may result in a lower effective interest rate. See accompanying notes to financial statements.

Under the OTP Credit Agreement (as defined below), the maximum amount of debt outstanding in 2019 was \$73.2 million on October 2, 2019 and the average daily balance of debt outstanding during 2019 was \$14.3 million. The weighted average interest rate paid on debt outstanding under the OTP Credit Agreement during 2019 was 3.6% compared with 3.0% in 2018.

On October 29, 2012, OTP entered into a Second Amended and Restated Credit Agreement (the OTP Credit Agreement), providing for an unsecured \$170 million revolving credit facility that may be increased to \$250 million on the terms and subject to the conditions described in the OTP Credit Agreement. On October 31, 2019 the OTP Credit Agreement was amended to extend its expiration date by one year from October 31, 2023 to October 31, 2024. OTP can draw on this credit facility to support the working capital needs and other capital requirements of its operations, including letters of credit in an aggregate amount not to exceed \$50 million outstanding at any time. Borrowings under this line of credit bear interest at LIBOR plus 1.25%, subject to adjustment based on the ratings of OTP's senior unsecured debt or the issuer rating if a rating is not provided for the senior unsecured debt. OTP is required to pay commitment fees based on the average daily unused amount available to be drawn under the revolving credit facility. The OTP Credit Agreement contains a number of restrictions on the business of OTP, including restrictions on its ability to merge, sell assets, make investments, create or incur liens on assets, guarantee the obligations of any other party, and engage in transactions with related parties. The OTP Credit Agreement also contains affirmative covenants and events of default, and financial covenants as described below under the heading "Financial Covenants." The OTP Credit Agreement does not include provisions for the termination of the agreement or the acceleration of repayment of amounts outstanding due to changes in OTP's credit ratings. OTP's obligations under the OTP Credit Agreement are not guaranteed by any other party.

The OTP Credit Agreement currently expires on October 31, 2024. Borrowings under this agreement currently use LIBOR as the base to determine the applicable interest rate. LIBOR is currently expected to be eliminated by January 1, 2022. The OTP Credit Agreement contains a provision to determine how interest rates will be established in the event a replacement for LIBOR has not been identified before the agreement expires. The process calls for the parties to jointly agree on an alternate rate of interest to LIBOR, such as the Secured Overnight Financing Rate, that gives due consideration to prevailing market convention for determining a rate of interest for syndicated loans in the United States at such time. The parties will enter into an amendment to the agreement to reflect any alternate rate of interest and other related changes to the agreement as may be applicable. If for any reason an agreement cannot be reached on an alternate rate of interest, then any borrowings under the agreement will be determined using the Prime Rate plus a margin based on OTP's long-term debt ratings at the time of the borrowings. If the alternate rate of interest agreed to by the parties is less than zero, such rate shall be deemed to be zero for the purposes of the credit agreement.

#### Long-Term Debt

|                                           |                                                                                                                       |                                              |                                  |
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| Otter Tail Power Company                  |                                                                                                                       |                                              |                                  |
| NOTES TO FINANCIAL STATEMENTS (Continued) |                                                                                                                       |                                              |                                  |

### 2019 Note Purchase Agreement

On September 12, 2019, OTP entered into a Note Purchase Agreement with the purchasers named therein (the 2019 Note Purchase Agreement), pursuant to which OTP agreed to issue to the purchasers, in a private placement transaction, \$175 million aggregate principal amount of OTP's senior unsecured notes consisting of (a) \$10,000,000 aggregate principal amount of its 3.07% Series 2019A Senior Unsecured Notes due October 10, 2029 (the Series 2019A Notes), (b) \$26,000,000 aggregate principal amount of its 3.52% Series 2019B Senior Unsecured Notes due October 10, 2039 (the Series 2019B Notes), (c) \$64,000,000 aggregate principal amount of its 3.82% Series 2019C Senior Unsecured Notes due October 10, 2049 (the Series 2019C Notes), (d) \$10,000,000 aggregate principal amount of its 3.22% Series 2020A Senior Unsecured Notes due February 25, 2030 (the Series 2020A Notes), (e) \$40,000,000 aggregate principal amount of its 3.22% Series 2020B Senior Unsecured Notes due August 20, 2030 (the Series 2020B Notes), (f) \$10,000,000 aggregate principal amount of its 3.62% Series 2020C Senior Unsecured Notes due February 25, 2040 (the Series 2020C Notes) and (g) \$15,000,000 aggregate principal amount of its 3.92% Series 2020D Senior Unsecured Notes due February 25, 2050 (the Series 2020D Notes); and together with the Series 2019A Notes, the Series 2019B Notes, the Series 2019C Notes, the Series 2020A Notes, the Series 2020B Notes and the Series 2020C Notes, (the Notes).

On October 10, 2019, OTP issued the Series 2019A Notes, Series 2019B Notes and Series 2019C Notes pursuant to the 2019 Note Purchase Agreement. OTP used a portion of the \$100 million proceeds from the issuance to repay \$69.9 million of existing indebtedness under the OTP Credit Agreement, primarily incurred to fund OTP capital expenditures, and used the remainder of the proceeds to pay for additional capital expenditures and for OTP general corporate purposes. On February 25, 2020, OTP issued the Series 2020A Notes, Series 2020C Notes and Series 2020D Notes pursuant to the 2019 Note Purchase Agreement. OTP will use the \$35 million in proceeds from the February 25, 2020 issuance for future capital expenditures and general corporate purposes. The Series 2020B Notes are expected to be issued on August 20, 2020, subject to the satisfaction of certain customary conditions to closing.

OTP may prepay all or any part of the Notes issued pursuant to the 2019 Note Purchase Agreement (in an amount not less than 10% of the aggregate principal amount of the Notes then outstanding in the case of a partial prepayment) at 100% of the principal amount so prepaid, together with unpaid accrued interest and a make-whole amount; provided that if no default or event of default exists under the 2019 Note Purchase Agreement, any prepayment made by OTP of all of the (a) Series 2019A Notes then outstanding on or after April 10, 2029, (b) Series 2019B Notes then outstanding on or after April 10, 2039, (c) Series 2019C Notes then outstanding on or after April 10, 2049, (d) Series 2020A Notes then outstanding on or after August 25, 2029, (e) Series 2020C Notes then outstanding on or after August 25, 2039 or (f) Series 2020D Notes then outstanding on or after August 25, 2049 will be made without any make-whole amount. The 2019 Note Purchase Agreement also requires OTP to offer to prepay all outstanding Notes at 100% of the principal amount together with unpaid accrued interest in the event of a Change of Control (as defined in the 2019 Note Purchase Agreement) of OTP.

The 2019 Note Purchase Agreement contains a number of restrictions on the business of OTP. These include restrictions on OTP's abilities to merge, sell assets, create or incur liens on assets, guarantee the obligations of any other party, and engage in transactions with related parties. The 2019 Note Purchase Agreement also contains other negative covenants and events of default, as well as certain financial covenants as described below under the heading "Financial Covenants." The 2019 Note Purchase Agreement does not include provisions for the termination of the agreement or the acceleration of repayment of amounts outstanding due to changes in OTP's credit ratings. The 2019 Note Purchase Agreement includes a "most favored lender" provision generally requiring that in the event OTP's existing credit agreement or any renewal, extension or replacement thereof, at any time contains any financial covenant or other provision providing for limitations on interest expense and such a covenant is not contained in the 2019 Note Purchase Agreement under substantially similar terms or would be more beneficial to the holders of the Notes than any analogous provision contained in the 2019 Note Purchase Agreement (an Additional Covenant), then unless waived by the Required Holders (as defined in the 2019 Note Purchase Agreement), the Additional Covenant will be deemed to be incorporated into the 2019 Note Purchase Agreement. The 2019 Note Purchase Agreement also provides for the amendment, modification or deletion of an Additional Covenant if such Additional Covenant is amended or modified under or deleted from the credit agreement, provided that no default or event of default has occurred and is continuing.

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| Otter Tail Power Company                  |                                                                                                                       |                                              |                                  |
| NOTES TO FINANCIAL STATEMENTS (Continued) |                                                                                                                       |                                              |                                  |

#### 2018 Note Purchase Agreement

On November 14, 2017, OTP entered into a Note Purchase Agreement (the 2018 Note Purchase Agreement) with the purchasers named therein, pursuant to which OTP agreed to issue to the purchasers, in a private placement transaction, \$100 million aggregate principal amount of OTP's 4.07% Series 2018A Senior Unsecured Notes due February 7, 2048 (the 2018 Notes). The 2018 Notes were issued on February 7, 2018. Proceeds from the 2018 Notes were used to repay outstanding borrowings under the OTP Credit Agreement.

OTP may prepay all or any part of the 2018 Notes (in an amount not less than 10% of the aggregate principal amount of the Notes then outstanding in the case of a partial prepayment) at 100% of the principal amount so prepaid, together with unpaid accrued interest and a make-whole amount; provided that if no default or event of default exists under the 2018 Note Purchase Agreement, any prepayment made by OTP of all of the 2018 Notes then outstanding on or after August 7, 2047 will be made without any make-whole amount. The 2018 Note Purchase Agreement also requires OTP to offer to prepay all outstanding 2018 Notes at 100% of the principal amount together with unpaid accrued interest in the event of a Change of Control (as defined in the 2018 Note Purchase Agreement) of OTP.

The 2018 Note Purchase Agreement contains a number of restrictions on the business of OTP. These include restrictions on OTP's abilities to merge, sell assets, create or incur liens on assets, guarantee the obligations of any other party, and engage in transactions with related parties. The 2018 Note Purchase Agreement also contains other negative covenants and events of default, as well as certain financial covenants as described below under the heading "Financial Covenants." The 2018 Note Purchase Agreement does not include provisions for the termination of the agreement or the acceleration of repayment of amounts outstanding due to changes in OTP's credit ratings. The 2018 Note Purchase Agreement includes a "most favored lender" provision generally requiring that in the event the OTP Credit Agreement or any renewal, extension or replacement thereof, at any time contains any financial covenant or other provision providing for limitations on interest expense and such a covenant is not contained in the 2018 Note Purchase Agreement under substantially similar terms or would be more beneficial to the holders of the 2018 Notes than any analogous provision contained in the 2018 Note Purchase Agreement (an Additional Covenant), then unless waived by the Required Holders (as defined in the 2018 Note Purchase Agreement), the Additional Covenant will be deemed to be incorporated into the 2018 Note Purchase Agreement. The 2018 Note Purchase Agreement also provides for the amendment, modification or deletion of an Additional Covenant if such Additional Covenant is amended or modified under or deleted from the OTP Credit Agreement, provided that no default or event of default has occurred and is continuing.

#### 2013 Note Purchase Agreement

On August 14, 2013 OTP entered into a Note Purchase Agreement (the 2013 Note Purchase Agreement) with the purchasers named therein pursuant to which OTP agreed to issue to the purchasers, in a private placement transaction, \$60 million aggregate principal amount of OTP's 4.68% Series A Senior Unsecured Notes due February 27, 2029 (the Series A Notes) and \$90 million aggregate principal amount of OTP's 5.47% Series B Senior Unsecured Notes due February 27, 2044 (the Series B Notes and, together with the Series A Notes, the 2013 Notes). The 2013 Notes were issued on February 27, 2014.

The 2013 Note Purchase Agreement states that OTP may prepay all or any part of the 2013 Notes (in an amount not less than 10% of the aggregate principal amount of the 2013 Notes then outstanding in the case of a partial prepayment) at 100% of the principal amount prepaid, together with accrued interest and a make-whole amount, provided that if no default or event of default under the 2013 Note Purchase Agreement exists, any optional prepayment made by OTP of (i) all of the Series A Notes then outstanding on or after November 27, 2028 or (ii) all of the Series B Notes then outstanding on or after November 27, 2043, will be made at 100% of the principal prepaid but without any make-whole amount. In addition, the 2013 Note Purchase Agreement states OTP must offer to prepay all the outstanding Notes at 100% of the principal amount together with unpaid accrued interest in the event of a Change of Control (as defined in the 2013 Note Purchase Agreement) of OTP.

The 2013 Note Purchase Agreement contains a number of restrictions on the business of OTP, including restrictions on OTP's ability to merge, sell assets, create or incur liens on assets, guarantee the obligations of any other party, and engage in transactions with related parties. The 2013 Note Purchase Agreement also contains affirmative covenants and events of default, as well as certain financial covenants as described below under the heading "Financial Covenants." The 2013 Note Purchase Agreement does not include provisions for the termination of the agreement or the acceleration of repayment of amounts outstanding due to changes in OTP's credit ratings. The 2013 Note Purchase Agreement includes a "most favored lender" provision generally requiring that in the event the OTP Credit Agreement or any renewal, extension or replacement thereof, at any time contains any financial covenant or other provision providing for limitations on interest expense and such a covenant is not contained in the 2013 Note Purchase Agreement

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| Otter Tail Power Company                  |                                                                                                                       |                                              |                                  |
| NOTES TO FINANCIAL STATEMENTS (Continued) |                                                                                                                       |                                              |                                  |

under substantially similar terms or would be more beneficial to the holders of the 2013 Notes than any analogous provision contained in the 2013 Note Purchase Agreement (Additional Covenant), then unless waived by the Required Holders (as defined in the 2013 Note Purchase Agreement), the Additional Covenant will be deemed to be incorporated into the 2013 Note Purchase Agreement. The 2013 Note Purchase Agreement also provides for the amendment, modification or deletion of an Additional Covenant if such Additional Covenant is amended or modified under or deleted from the OTP Credit Agreement, provided that no default or event of default has occurred and is continuing.

#### 2011 and 2007 Note Purchase Agreements

On December 1, 2011, OTP issued \$140 million aggregate principal amount of its 4.63% Senior Unsecured Notes due December 1, 2021 pursuant to a Note Purchase Agreement dated as of July 29, 2011 (the 2011 Note Purchase Agreement). OTP also has outstanding its \$122 million senior unsecured notes issued in three series consisting of \$30 million aggregate principal amount of 6.15% Senior Unsecured Notes, Series B, due 2022; \$42 million aggregate principal amount of 6.37% Senior Unsecured Notes, Series C, due 2027; and \$50 million aggregate principal amount of 6.47% Senior Unsecured Notes, Series D, due 2037 (collectively, the 2007 Notes). The 2007 Notes were issued pursuant to a Note Purchase Agreement dated as of August 20, 2007 (the 2007 Note Purchase Agreement).

The 2011 Note Purchase Agreement and the 2007 Note Purchase Agreement each states that OTP may prepay all or any part of the notes issued thereunder (in an amount not less than 10% of the aggregate principal amount of the notes then outstanding in the case of a partial prepayment) at 100% of the principal amount prepaid, together with accrued interest and a make-whole amount. The 2011 Note Purchase Agreement states in the event of a transfer of utility assets put event, the noteholders thereunder have the right to require OTP to repurchase the notes held by them in full, together with accrued interest and a make-whole amount, on the terms and conditions specified in the 2011 Note Purchase Agreement. The 2011 Note Purchase Agreement and the 2007 Note Purchase Agreement each also states that OTP must offer to prepay all the outstanding notes issued thereunder at 100% of the principal amount together with unpaid accrued interest in the event of a change of control of OTP. The note purchase agreements contain a number of restrictions on OTP, including restrictions on OTP's ability to merge, sell assets, create or incur liens on assets, guarantee the obligations of any other party, and engage in transactions with related parties. The note purchase agreements also include affirmative covenants and events of default, and certain financial covenants as described below under the heading "Financial Covenants."

The aggregate amounts of maturities on bonds outstanding and other long-term obligations at December 31, 2019 for each of the next five years are:

| <i>(in thousands)</i>                | 2020 | 2021      | 2022     | 2023  | 2024  |
|--------------------------------------|------|-----------|----------|-------|-------|
| Aggregate Amounts of Debt Maturities | \$-- | \$140,000 | \$30,000 | \$ -- | \$ -- |

#### **Financial Covenants**

OTP was in compliance with the financial covenants in its debt agreements as of December 31, 2019.

No Credit or Note Purchase Agreement contains any provisions that would trigger an acceleration of the related debt as a result of changes in the credit rating levels assigned to the related obligor by rating agencies.



|                                           |                                                                                                                       |                                              |                                  |
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| Otter Tail Power Company                  |                                                                                                                       |                                              |                                  |
| NOTES TO FINANCIAL STATEMENTS (Continued) |                                                                                                                       |                                              |                                  |

OTP's borrowing agreements are subject to certain financial covenants. Specifically:

- Under the OTP Credit Agreement, OTP may not permit the ratio of its Interest-bearing Debt to Total Capitalization to be greater than 0.60 to 1.00.
- Under the 2007 Note Purchase Agreement and 2011 Note Purchase Agreement, OTP may not permit the ratio of its Debt to Total Capitalization to be greater than 0.60 to 1.00 or permit its Interest and Dividend Coverage Ratio to be less than 1.50 to 1.00, in each case as provided in the related borrowing agreement, and OTP may not permit its Priority Debt to exceed 20% of its Total Capitalization, as provided in the related agreement.
- Under the 2013 Note Purchase Agreement, the 2018 Note Purchase Agreement and the 2019 Note Purchase Agreement, OTP may not permit its Interest-bearing Debt to exceed 60% of Total Capitalization and may not permit its Priority Indebtedness to exceed 20% of its Total Capitalization, in each case as provided in the related agreement.

## 9. Pension Plan and Other Postretirement Benefits

### Pension Plan

OTP's noncontributory funded pension plan (the Plan) covers substantially all OTP nonunion employees hired prior to September 1, 2006, and all union employees of OTP hired prior to November 1, 2013, excluding Coyote Station employees. Coyote Station employees hired before January 1, 2009 are covered under the Plan. The Plan provides 100% vesting after five vesting years of service and for retirement compensation at age 65, with reduced compensation in cases of retirement prior to age 62. OTP reserves the right to discontinue the Plan but no change or discontinuance may affect the pensions theretofore vested.

The pension plan has a trustee who is responsible for pension payments to retirees and a separate pension fund manager responsible for managing the Plan's assets. An independent actuary assists in performing the necessary actuarial valuations for the Plan.

The Plan assets consist of common stock and bonds of public companies, U.S. government securities, cash and cash equivalents and alternative investments. None of the Plan assets are invested in common stock or debt securities of OTP or Otter Tail Corporation.

Components of net periodic pension benefit cost:

| <i>(in thousands)</i>                                    | 2019     | 2018     |
|----------------------------------------------------------|----------|----------|
| Service Cost—Benefit Earned During the Period            | \$5,360  | \$6,298  |
| Interest Cost on Projected Benefit Obligation            | 14,066   | 13,115   |
| Expected Return on Assets                                | (20,786) | (20,669) |
| Amortization of Prior-Service Cost from Regulatory Asset | 5        | 16       |
| Amortization of Net Actuarial Loss from Regulatory Asset | 4,650    | 7,135    |
| Net Periodic Pension Cost <sup>1</sup>                   | \$3,295  | \$5,895  |

<sup>1</sup>Allocation of Costs:

|                                                            |       |         |
|------------------------------------------------------------|-------|---------|
| Costs included in OTP capital expenditures                 | \$839 | \$1,443 |
| Costs included in other operation and maintenance expenses | 2,456 | 4,452   |

|                                           |                                                                                                                       |                                              |                                  |
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| Otter Tail Power Company                  |                                                                                                                       |                                              |                                  |
| NOTES TO FINANCIAL STATEMENTS (Continued) |                                                                                                                       |                                              |                                  |

Weighted average assumptions used to determine net periodic pension cost for the year ended December 31:

|                                                | 2019  | 2018  |
|------------------------------------------------|-------|-------|
| Discount Rate                                  | 4.50% | 3.90% |
| Long-Term Rate of Return on Plan Assets        | 7.25% | 7.50% |
| Rate of Increase in Future Compensation Level: |       |       |
| Participants to Age 39                         | 4.50% | 4.50% |
| Participants Age 40 to Age 49                  | 3.50% | 3.50% |
| Participants Age 50 and Older                  | 2.75% | 2.75% |

The following table presents amounts recognized in OTP's balance sheets as of December 31:

|                                 |           |           |
|---------------------------------|-----------|-----------|
| <i>(in thousands)</i>           | 2019      | 2018      |
| Regulatory Assets:              |           |           |
| Unrecognized Prior Service Cost | \$--      | \$ 5      |
| Unrecognized Actuarial Loss     | 120,592   | 104,891   |
| Total Regulatory Assets         | \$120,592 | \$104,896 |
| Noncurrent Liability            | \$53,684  | \$57,193  |

Funded status as of December 31:

|                                |             |             |
|--------------------------------|-------------|-------------|
| <i>(in thousands)</i>          | 2019        | 2018        |
| Accumulated Benefit Obligation | \$(338,402) | \$(290,522) |
| Projected Benefit Obligation   | \$(375,550) | \$(320,231) |
| Fair Value of Plan Assets      | 321,866     | 263,038     |
| Funded Status                  | \$(53,684)  | \$(57,193)  |

|                                           |                                                                                                                       |                                              |                                  |
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| Otter Tail Power Company                  |                                                                                                                       |                                              |                                  |
| NOTES TO FINANCIAL STATEMENTS (Continued) |                                                                                                                       |                                              |                                  |

The following tables provide a reconciliation of the changes in the OTP portion of the fair value of the Plan's assets and the Plan's benefit obligations over the two-year period ended December 31, 2019:

|                                                 |           |           |
|-------------------------------------------------|-----------|-----------|
| <i>(in thousands)</i>                           | 2019      | 2018      |
| Reconciliation of Fair Value of Plan Assets:    |           |           |
| Fair Value of Plan Assets at January 1          | \$263,038 | \$278,471 |
| Actual Return on Plan Assets                    | 51,155    | (21,514)  |
| Discretionary Company Contributions             | 22,500    | 20,000    |
| Benefit Payments                                | (14,827)  | (13,919)  |
| Fair Value of Plan Assets at December 31        | \$321,866 | \$263,038 |
| Estimated Asset Return                          | 19.3%     | (7.3%)    |
| Reconciliation of Projected Benefit Obligation: |           |           |
| Projected Benefit Obligation at January 1       | \$320,231 | \$344,253 |
| Service Cost                                    | 5,360     | 6,298     |
| Interest Cost                                   | 14,066    | 13,115    |
| Benefit Payments                                | (14,827)  | (13,919)  |
| Actuarial Loss (Gain)                           | 50,720    | (29,516)  |
| Projected Benefit Obligation at December 31     | \$375,550 | \$320,231 |

Weighted average assumptions used to determine benefit obligations at December 31:

|                                                |       |       |
|------------------------------------------------|-------|-------|
|                                                | 2019  | 2018  |
| Discount Rate                                  | 3.47% | 4.50% |
| Rate of Increase in Future Compensation Level: |       |       |
| Participants to Age 39                         | 4.50% | 4.50% |
| Participants Age 40 to Age 49                  | 3.50% | 3.50% |
| Participants Age 50 and Older                  | 2.75% | 2.75% |

The assumed rate of return on pension fund assets used for the determination of 2020 net periodic pension cost is 6.88%. The assumed long-term rate of return on plan assets is based primarily on asset category studies using historical market return and volatility data with forward looking estimates based on existing financial market conditions and forecasts of capital markets. Modest excess return expectations versus some market indices are incorporated into the return projections based on the actively managed structure of the investment programs and their records of achieving such returns historically. The rate of return on plan asset assumptions are reviewed annually. The assumptions are largely based on the asset category rate-of-return assumptions developed annually with the pension plan investment advisors, as well as input from actuaries who work with the pension plan and benchmarking to peer companies with similar asset allocation strategies.

Market-related value of plan assets—The expected return on plan assets is determined based on the expected long-term rate of return on plan assets and the market-related value of plan assets.

The actuarial determination of pension plan expense or income is based on a market-related valuation of assets, which reduces year-to-year volatility. This market-related valuation calculation recognizes investment gains or losses over a five-year period from the year in which they occur. Investment gains or losses for this purpose are the difference between the expected return calculated using the market-related value of assets and the actual return based on the fair value of assets. Since the market-related valuation calculation recognizes gains or losses over a five-year period, the future value of the market-related assets will be impacted as previously deferred gains or losses are recognized.

|                                           |                                                                                                                       |                                              |                                  |
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| Otter Tail Power Company                  |                                                                                                                       |                                              |                                  |
| NOTES TO FINANCIAL STATEMENTS (Continued) |                                                                                                                       |                                              |                                  |

| Measurement Dates:              | 2019                                              | 2018                                              |
|---------------------------------|---------------------------------------------------|---------------------------------------------------|
| Net Periodic Pension Cost       | January 1, 2019                                   | January 1, 2018                                   |
| End of Year Benefit Obligations | January 1, 2019 projected<br>to December 31, 2019 | January 1, 2018 projected<br>to December 31, 2018 |
| Market Value of Assets          | December 31, 2019                                 | December 31, 2018                                 |

Cash flows—OTP had no minimum funding requirement as of December 31, 2019 but has made discretionary plan contributions of \$11.2 million in January 2020.

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid out from plan assets:

| (in thousands) | 2020     | 2021     | 2022     | 2023     | 2024     | Years<br>2025-2029 |
|----------------|----------|----------|----------|----------|----------|--------------------|
|                | \$15,574 | \$16,131 | \$16,757 | \$17,395 | \$17,988 | \$96,915           |

The following objectives guide the investment strategy of the Plan:

- The assets of the Plan will be invested in accordance with all applicable laws in a manner consistent with fiduciary standards including Employee Retirement Income Security Act standards (if applicable). Specifically:
  - The safeguards and diversity that a prudent investor would adhere to must be present in the investment program.
  - All transactions undertaken on behalf of the Plan must be in the best interest of plan participants and their beneficiaries.
- The primary objective of the Plan is to provide a source of retirement income for its participants and beneficiaries.
- The near-term primary financial objective of the Plan is to improve the funded status of the Plan.
- A secondary financial objective is to minimize pension funding and expense volatility where possible.

The asset allocation strategy developed by the Retirement Plans Administration Committee (the Committee) is based on the current needs of the Plan and the objectives listed above. An asset/liability review is conducted annually or as often as necessary to assess the impact of various asset allocations on funded status and other financial variables. The current needs of the Plan, the overall investment objectives above, the investment preferences and risk tolerance of the Committee and the desired degree of diversification suggest the need for an investment allocation including multiple asset classes.

The asset allocation in the table below contains guideline percentages, at market value, of the total Plan invested in various asset classes. The Permitted Range is a guide and will at times not reflect the actual asset allocation as this will be dictated by market conditions, the independent actions of the Committee and/or Investment Managers and required cash flows to and from the Plan. The Permitted Range anticipates this fluctuation and provides flexibility for the Investment Managers' portfolios to vary around the target without the need for immediate rebalancing. The Investment Manager will proactively monitor the asset allocation and will direct the purchases and sales to remain within the stated ranges.

The policy of the Plan is to invest assets in accordance with the allocations shown below:

| Asset Class / PBO Funded Status      | Permitted Range |           |           |           |            |
|--------------------------------------|-----------------|-----------|-----------|-----------|------------|
|                                      | < 85% PBO       | >=85% PBO | >=90% PBO | >=95% PBO | >=100% PBO |
| Equity                               | 39% - 59%       | 34% - 54% | 24% - 44% | 14% - 34% | 0% - 20%   |
| Investment Grade Fixed Income        | 22% - 42%       | 30% - 50% | 40% - 60% | 53% - 73% | 70% - 100% |
| Below Investment Grade Fixed Income* | 0% - 15%        | 0% - 15%  | 0% - 15%  | 0% - 10%  | 0% - 10%   |
| Other**                              | 5% - 20%        | 5% - 20%  | 5% - 20%  | 0% - 15%  | 0% - 15%   |

\* Includes (but not limited to) High Yield Bond Fund and Emerging Markets Debt funds.

\*\* Other category may include cash, alternatives, and/or other investment strategies that may be classified other than equity or fixed income, such as the Dynamic Asset Allocation fund.

|                                           |                                                                                                                       |                                              |                                  |
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| Otter Tail Power Company                  |                                                                                                                       |                                              |                                  |
| NOTES TO FINANCIAL STATEMENTS (Continued) |                                                                                                                       |                                              |                                  |

OTP's pension plan asset allocations at December 31, 2019 and 2018, by asset category are as follows:

| Asset Allocation                                          | 2019   | 2018   |
|-----------------------------------------------------------|--------|--------|
| Global MGD Volatility Fund ( <i>mixed equities fund</i> ) | 20.4%  | --     |
| Large Capitalization Equity Securities                    | 11.3%  | 17.5%  |
| International Equity Securities                           | 9.3%   | 17.0%  |
| Emerging Markets Equity Fund                              | 4.2%   | 3.4%   |
| Small and Mid-Capitalization Equity Securities            | 4.1%   | 6.7%   |
| SEI Dynamic Asset Allocation Fund                         | 3.1%   | 4.0%   |
| Equity Securities                                         | 52.4%  | 48.6%  |
| Fixed-Income Securities and Cash                          | 44.7%  | 47.1%  |
| Other – SEI Energy Debt Collective Fund                   | 2.9%   | 4.3%   |
|                                                           | 100.0% | 100.0% |

The following table presents OTP's pension fund assets measured at fair value and included in Level 1 of the fair value hierarchy and assets measured using the net asset value (NAV) practical expedient to fair valuation as of December 31:

| (in thousands)                                | 2019       | 2018       |
|-----------------------------------------------|------------|------------|
| Assets in Level 1 of the Fair Value Hierarchy | \$ 312,555 | \$ 251,850 |
| SEI Energy Debt Collective Fund at NAV        | 9,311      | 11,188     |
| Total Assets                                  | \$ 321,866 | \$ 263,038 |

#### Fair Value Measurements of Pension Fund Assets

ASC 715, *Compensation – Retirement Benefits*, requires disclosures about pension plan assets identified by the three levels of the fair value hierarchy established by ASC 820-10-35.

The following table presents OTP's pension fund assets measured at fair value and included in Level 1 of the fair value hierarchy as of December 31:

| (in thousands)                                             | 2019       | 2018       |
|------------------------------------------------------------|------------|------------|
| Global MGD Volatility Fund ( <i>mixed equities fund</i> )  | \$ 65,572  | \$ --      |
| Large Capitalization Equity Securities Mutual Fund         | 36,460     | 46,018     |
| International Equity Securities Mutual Funds               | 29,917     | 44,764     |
| Emerging Markets Equity Fund                               | 13,461     | 8,968      |
| Small and Mid-Capitalization Equity Securities Mutual Fund | 13,124     | 17,522     |
| SEI Dynamic Asset Allocation Mutual Fund                   | 9,924      | 10,655     |
| Fixed Income Securities Mutual Funds                       | 144,096    | 123,921    |
| Cash Management – Money Market Fund                        | 1          | 2          |
| Total Assets                                               | \$ 312,555 | \$ 251,850 |

The investments held by the SEI Energy Debt Collective Fund on December 31, 2019 and 2018 consist mainly of below investment grade high yielding bonds and loans of U.S. energy companies which trade at a discount to fair value. Redemptions are allowed semi-annually with a 95-day notice period, subject to fund director consent and certain gate, holdback and suspension restrictions. Subscriptions are allowed monthly with a three-year lock up on subscriptions. Otter Tail Corporation invested \$10.0 million in the SEI Energy Debt Fund in July 2015. The fund's assets are valued in accordance with valuations reported by the fund's sub-advisor or the fund's underlying investments or other independent third-party sources, although SEI in its discretion may use other valuation methods, subject to compliance with ERISA (as applicable). The fund's assets are valued as of the close of business on the last business day of each calendar month and are available 30 days after the end of a calendar quarter. On an annual basis, as determined by the investment manager in its sole discretion, an independent valuation agent is retained to provide a valuation of the illiquid assets of the fund and of any other asset of the fund, as determined by the investment manager in its sole discretion. Otter Tail Corporation reviews and verifies the reasonableness of the year-end valuations.

|                                           |                                                                                                                       |                                              |                                  |
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| Otter Tail Power Company                  |                                                                                                                       |                                              |                                  |
| NOTES TO FINANCIAL STATEMENTS (Continued) |                                                                                                                       |                                              |                                  |

### **Executive Survivor and Supplemental Retirement Plan (ESSRP)**

The ESSRP is an unfunded nonqualified benefit plan for executive officers and certain key management employees that provides for defined benefit payments to these employees on their retirement for life or to their beneficiaries on their death. In addition, the ESSRP provides for survivor benefit payments to beneficiaries of executive officers. On December 26, 2019, Otter Tail Corporation's Board of Directors amended and restated the ESSRP to provide for (i) the freezing of participation in the restoration retirement benefit component of the ESSRP and (ii) the freezing of benefit accruals under the restoration retirement benefit component of the ESSRP for all OTP participants.

In connection with amending and restating the ESSRP, Otter Tail Corporation's Board of Directors also approved the making of special employer contributions to named participants in the Otter Tail Corporation Executive Restoration Plus Plan (the ERPP) who will be affected by the ESSRP freeze in order to offset the impact of the freeze for those participants.

The following table lists components of net periodic pension benefit cost for the year ended December 31:

|                                               |         |         |
|-----------------------------------------------|---------|---------|
| <i>(in thousands)</i>                         | 2019    | 2018    |
| Service Cost—Benefit Earned During the Period | \$104   | \$99    |
| Interest Cost on Projected Benefit Obligation | 697     | 679     |
| Amortization of Prior Service Cost:           |         |         |
| From Regulatory Asset                         | 5       | 12      |
| From Other Comprehensive Income <sup>1</sup>  | 8       | 19      |
| Amortization of Net Actuarial Loss:           |         |         |
| From Regulatory Asset                         | 124     | 214     |
| From Other Comprehensive Income <sup>1</sup>  | 186     | 321     |
| Net Periodic Pension Cost <sup>2</sup>        | \$1,124 | \$1,344 |

<sup>1</sup> All costs are charged to Electric Operation and Maintenance Expenses

<sup>2</sup> ESSRP costs are not capitalized

Weighted average assumptions used to determine net periodic pension cost for the year ended December 31:

|                                               |       |       |
|-----------------------------------------------|-------|-------|
|                                               | 2019  | 2018  |
| Discount Rate                                 | 4.46% | 3.85% |
| Rate of Increase in Future Compensation Level | 3.40% | 2.75% |

The following table presents amounts recognized in OTP's balance sheets as of December 31:

|                                                                |            |            |
|----------------------------------------------------------------|------------|------------|
| <i>(in thousands)</i>                                          | 2019       | 2018       |
| Regulatory Assets:                                             |            |            |
| Unrecognized Prior Service Cost                                | \$--       | \$ 20      |
| Unrecognized Actuarial Loss                                    | 2,170      | 1,768      |
| Total Regulatory Assets                                        | \$2,170    | \$1,788    |
| Projected Benefit Obligation Liability – Net Amount Recognized | \$(17,151) | \$(16,330) |
| Accumulated Other Comprehensive Loss:                          |            |            |
| Unrecognized Prior Service Cost                                | \$--       | \$ 29      |
| Unrecognized Actuarial Loss                                    | 3,255      | 2,653      |
| Total Accumulated Other Comprehensive Loss                     | \$3,255    | \$2,682    |

|                                           |                                                                                                                       |                                              |                                  |
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| Otter Tail Power Company                  |                                                                                                                       |                                              |                                  |
| NOTES TO FINANCIAL STATEMENTS (Continued) |                                                                                                                       |                                              |                                  |

The following tables provide a reconciliation of the changes in the fair value of plan assets and the plan's projected benefit obligations over the two-year period ended December 31, 2019 and a statement of the funded status as of December 31 of both years:

| <i>(in thousands)</i>                                                | 2019      | 2018      |
|----------------------------------------------------------------------|-----------|-----------|
| Reconciliation of OTP's Portion of the Fair Value of Plan Assets:    |           |           |
| Fair Value of Plan Assets at January 1                               | \$ --     | \$ --     |
| Actual Return on Plan Assets                                         | --        | --        |
| Employer Contributions                                               | 1,294     | 1,326     |
| Benefit Payments                                                     | (1,294)   | (1,326)   |
| Fair Value of Plan Assets at December 31                             | \$ --     | \$ --     |
| Reconciliation of OTP's Portion of the Projected Benefit Obligation: |           |           |
| Projected Benefit Obligation at January 1                            | \$ 16,330 | \$ 18,380 |
| Service Cost                                                         | 104       | 99        |
| Interest Cost                                                        | 697       | 679       |
| Benefit Payments                                                     | (1,294)   | (1,326)   |
| Curtailments                                                         | (490)     | --        |
| Actuarial Loss (Gain)                                                | 1,804     | (1,502)   |
| Projected Benefit Obligation at December 31                          | \$ 17,151 | \$ 16,330 |

Weighted average assumptions used to determine benefit obligations at December 31:

|                                               | 2019  | 2018  |
|-----------------------------------------------|-------|-------|
| Discount Rate                                 | 3.36% | 4.46% |
| Rate of Increase in Future Compensation Level | N/A   | 2.75% |

**Cash flows**—The ESSRP is unfunded and has no assets; contributions are equal to the benefits paid to plan participants. The following benefit payments, which reflect future service, as appropriate, are expected to be paid:

| <i>(in thousands)</i> | 2020    | 2021    | 2022    | 2023    | 2024    | Years<br>2025-2029 |
|-----------------------|---------|---------|---------|---------|---------|--------------------|
|                       | \$1,371 | \$1,323 | \$1,274 | \$1,223 | \$1,171 | \$5,243            |

#### **Other Postretirement Benefits**

OTP provides a portion of health insurance benefits for retired OTP employees. The retiree health insurance benefits will be available for all OTP nonunion employees hired prior to September 1, 2006, and all union employees of OTP hired prior to November 1, 2010, excluding Coyote Station employees. Coyote Station employees hired before January 1, 2009 are covered under the plan. To be eligible for retiree health insurance benefits the employee must be 55 years of age with a minimum of 10 years of service. There are no plan assets.

In 2019, OTP elected to obtain post-65 prescription drug subsidies for its non-union plan participants from a provider under the provider's employer group waiver plan. As a result, OTP will no longer apply for prescription drug subsidies for these participants. Based on the provider's projected costs, the post-65 starting claim cost assumption for non-union retirees was lowered by 27% and the Medicare Part D reimbursement assumption was eliminated for these participants. A portion of the cost savings were shared with retirees through lower 2020 premiums. The net effect of these plan amendments reduced OTP's projected benefit obligation for this plan by \$20.4 million in 2019. Beginning in 2020, the net savings from the changes will be recognized as a reduction to expense over 4.3 years, the expected remaining service period to retirement-age eligibility for active participants.



|                                           |                                                                                                                       |                                              |                                  |
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| Otter Tail Power Company                  |                                                                                                                       |                                              |                                  |
| NOTES TO FINANCIAL STATEMENTS (Continued) |                                                                                                                       |                                              |                                  |

The following table lists components of net periodic postretirement benefit cost for the year ended December 31:

| <i>(in thousands)</i>                                      | 2019    | 2018    |
|------------------------------------------------------------|---------|---------|
| Service Cost—Benefit Earned During the Period              | \$1,254 | \$1,488 |
| Interest Cost on Projected Benefit Obligation              | 3,009   | 2,518   |
| Amortization of Net Actuarial Loss from Regulatory Asset   | 1,571   | 1,648   |
| Net Periodic Postretirement Benefit Cost <sup>1</sup>      | \$5,834 | \$5,654 |
| Effect of Medicare Part D Subsidy                          | \$(174) | \$(458) |
| <sup>1</sup> Allocation of Costs:                          |         |         |
| Costs included in OTP capital expenditures                 | \$1,487 | \$1,384 |
| Costs included in other operation and maintenance expenses | 4,347   | 4,270   |

Weighted average assumptions used to determine net periodic postretirement benefit cost for the year ended December 31:

|               | 2019  | 2018  |
|---------------|-------|-------|
| Discount Rate | 4.44% | 3.81% |

The following table presents amounts recognized in OTP's balance sheets as of December 31:

| <i>(in thousands)</i>                                          | 2019        | 2018        |
|----------------------------------------------------------------|-------------|-------------|
| Regulatory Asset:                                              |             |             |
| Unrecognized Prior Service Credit                              | \$ (20,363) | \$--        |
| Unrecognized Net Actuarial Loss                                | 35,322      | 18,094      |
| Net Regulatory Asset                                           | \$ 14,959   | \$ 18,094   |
| Projected Benefit Obligation Liability – Net Amount Recognized | \$ (69,722) | \$ (69,772) |

The following tables provide a reconciliation of the changes in the fair value of plan assets and the plan's projected benefit obligations over the two-year period ended December 31, 2019:

| <i>(in thousands)</i>                                                | 2019      | 2018      |
|----------------------------------------------------------------------|-----------|-----------|
| Reconciliation of OTP's Portion of the Fair Value of Plan Assets:    |           |           |
| Fair Value of Plan Assets at January 1                               | \$ --     | \$ --     |
| Actual Return on Plan Assets                                         | --        | --        |
| Company Contributions                                                | 2,748     | 3,149     |
| Benefit Payments (Net of Medicare Part D Subsidy)                    | (7,129)   | (6,625)   |
| Participant Premium Payments                                         | 4,381     | 3,476     |
| Fair Value of Plan Assets at December 31                             | \$ --     | \$ --     |
| Reconciliation of OTP's Portion of the Projected Benefit Obligation: |           |           |
| Projected Benefit Obligation at January 1                            | \$ 69,772 | \$ 68,100 |
| Service Cost (Net of Medicare Part D Subsidy)                        | 1,254     | 1,488     |
| Interest Cost (Net of Medicare Part D Subsidy)                       | 3,009     | 2,518     |
| Benefit Payments (Net of Medicare Part D Subsidy)                    | (7,129)   | (6,625)   |
| Participant Premium Payments                                         | 4,381     | 3,476     |
| Plan Amendments                                                      | (20,363)  | --        |
| Actuarial Loss                                                       | 18,798    | 815       |
| Projected Benefit Obligation at December 31                          | \$ 69,722 | \$ 69,772 |

|                                           |                                                                                                                       |                                              |                                  |
|-------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------|----------------------------------|
| Name of Respondent                        | This Report is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>2019/Q4 |
| Otter Tail Power Company                  |                                                                                                                       |                                              |                                  |
| NOTES TO FINANCIAL STATEMENTS (Continued) |                                                                                                                       |                                              |                                  |

Weighted average assumptions used to determine benefit obligations at December 31:

|               | 2019  | 2018  |
|---------------|-------|-------|
| Discount Rate | 3.43% | 4.44% |

Assumed healthcare cost-trend rates as of December 31:

|                                                         | 2019  | 2018  |
|---------------------------------------------------------|-------|-------|
| Healthcare Cost-Trend Rate Assumed for Next Year        | 6.72% | 7.00% |
| Rate to Which the Cost-Trend Rate is Assumed to Decline | 4.50% | 4.50% |
| Year the Rate Reaches the Ultimate Trend Rate           | 2038  | 2038  |

| Measurement Dates:                       | 2019                                              | 2018                                              |
|------------------------------------------|---------------------------------------------------|---------------------------------------------------|
| Net Periodic Postretirement Benefit Cost | January 1, 2019                                   | January 1, 2018                                   |
| End of Year Benefit Obligations          | January 1, 2019 projected<br>to December 31, 2019 | January 1, 2018 projected<br>to December 31, 2018 |

Cash flows—OTP expects to contribute \$3.2 million net of expected employee contributions for the payment of retiree medical benefits and Medicare Part D subsidy receipts in 2020. OTP expects to receive a Medicare Part D subsidy from the Federal government of approximately \$100,000 in 2020. The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

| (in thousands) | 2020    | 2021    | 2022    | 2023    | 2024    | Years<br>2025-2029 |
|----------------|---------|---------|---------|---------|---------|--------------------|
|                | \$3,243 | \$3,387 | \$3,565 | \$3,631 | \$3,688 | \$19,375           |

#### **401K Plan**

OTP has a 401K plan for the benefit of all its employees. Contributions made to this plan by OTP totaled \$2,807,000 for 2019 and \$2,646,000 for 2018.

#### **Employee Stock Ownership Plan**

OTP has a stock ownership plan for the benefit of all its employees. Contributions made by OTP were \$374,000 for 2019 and \$398,000 for 2018.

### **10. Fair Value of Financial Instruments**

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

Cash Equivalents—The carrying amount approximates fair value because of the short-term maturity of those instruments.

Short-Term Debt—The carrying amount approximates fair value because the debt obligations are short-term and the balance outstanding as of December 31, 2019 and 2018 under the OTP Credit Agreement was subject to a variable interest rate of LIBOR plus 1.25%, which approximates a market rate.

|                                           |                                                                                                                       |                                              |                                  |
|-------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------|----------------------------------|
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| Otter Tail Power Company                  |                                                                                                                       |                                              |                                  |
| NOTES TO FINANCIAL STATEMENTS (Continued) |                                                                                                                       |                                              |                                  |

Long-Term Debt including Current Maturities—The fair value of OTP's long-term debt is estimated based on the current market indications of rates available to OTP for the issuance of debt. The fair value measurements of OTP's long-term debt issues fall into level 2 of the fair value hierarchy set forth in ASC 820.

|                                             | December 31, 2019  |               | December 31, 2018  |               |
|---------------------------------------------|--------------------|---------------|--------------------|---------------|
|                                             | Carrying<br>Amount | Fair<br>Value | Carrying<br>Amount | Fair<br>Value |
| <i>(in thousands)</i>                       |                    |               |                    |               |
| Cash and Cash Equivalents                   | \$18,093           | \$18,093      | \$15               | \$15          |
| Short-Term Debt                             | --                 | --            | -9,384             | -9,384        |
| Long-Term Debt including Current Maturities | -612,000           | -665,626      | -512,000           | -529,738      |

|                                           |                                                                                                                       |                                              |                                  |
|-------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------|----------------------------------|
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| Otter Tail Power Company                  |                                                                                                                       |                                              |                                  |
| NOTES TO FINANCIAL STATEMENTS (Continued) |                                                                                                                       |                                              |                                  |

## 11. Property, Plant and Equipment

| <i>(in thousands)</i>                             | December 31,<br>2019 | December 31,<br>2018 | Service Life Range<br><i>(years)</i> |      |
|---------------------------------------------------|----------------------|----------------------|--------------------------------------|------|
| <b>Electric Plant in Service</b>                  |                      |                      | Low                                  | High |
| Production                                        | \$916,040            | \$905,249            | 9                                    | 82   |
| Transmission                                      | 647,963              | 512,977              | 51                                   | 75   |
| Distribution                                      | 526,729              | 502,473              | 15                                   | 70   |
| General                                           | 123,494              | 99,453               | 5                                    | 57   |
| Electric Plant in Service                         | 2,214,227            | 2,020,152            |                                      |      |
| Construction Work in Progress                     | 177,839              | 170,614              |                                      |      |
| Total Gross Electric Plant                        | 2,392,066            | 2,190,767            |                                      |      |
| Less Accumulated Depreciation and<br>Amortization | 828,752              | 782,871              |                                      |      |
| Net Electric Plant                                | \$1,563,314          | \$1,407,896          |                                      |      |

The estimated service lives for rate-regulated properties is 5 to 82 years.

|                                           |                                                                                                                       |                                              |                                  |
|-------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------|----------------------------------|
| Name of Respondent                        | This Report is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>2019/Q4 |
| Otter Tail Power Company                  |                                                                                                                       |                                              |                                  |
| NOTES TO FINANCIAL STATEMENTS (Continued) |                                                                                                                       |                                              |                                  |

## 12. Income Taxes

The total income tax expense differs from the amount computed by applying the federal income tax rate (21% in 2019 and 2018) to net income before total income tax expense for the following reasons:

| <i>(in thousands)</i>                                            | 2019      | 2018      |
|------------------------------------------------------------------|-----------|-----------|
| Tax Computed at Federal Statutory Rate                           | \$ 15,102 | \$ 12,624 |
| Increases (Decreases) in Tax from:                               |           |           |
| State Income Taxes Net of Federal Income Tax Benefit             | 2,203     | 2,100     |
| Differences Reversing in Excess of Federal Rates                 | (3,357)   | (3,432)   |
| Federal Production Tax Credit                                    | --        | (3,111)   |
| North Dakota Wind Tax Credit Amortization – Net of Federal Taxes | (1,033)   | (1,033)   |
| Allowance for Funds Used During Construction - Equity            | (501)     | (431)     |
| Employee Stock Ownership Plan Dividend Deduction                 | (281)     | (298)     |
| Investment Tax Credit Amortization                               | (41)      | (98)      |
| Permanent and Other Differences                                  | 775       | (636)     |
| Total Income Tax Expense                                         | \$ 12,867 | \$ 5,685  |
| Overall Effective Federal and State Income Tax Rate              | 17.9%     | 9.5%      |
| Income Tax Expense Includes the Following:                       |           |           |
| Current Federal Income Taxes                                     | \$ 3,983  | \$ 2,873  |
| Current State Income Taxes                                       | (739)     | 817       |
| Deferred Federal Income Taxes                                    | 6,852     | 4,105     |
| Deferred State Income Taxes                                      | 3,845     | 2,132     |
| Federal Production Tax Credit                                    | --        | (3,111)   |
| North Dakota Wind Tax Credit Amortization – Net of Federal Taxes | (1,033)   | (1,033)   |
| Investment Tax Credit Amortization                               | (41)      | (98)      |
| Total                                                            | \$ 12,867 | \$ 5,685  |
| Total Income Before Income Taxes                                 | \$ 71,913 | \$ 60,116 |

|                                           |                                                                                                                       |                                              |                                  |
|-------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------|----------------------------------|
| Name of Respondent                        | This Report is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>2019/Q4 |
| Otter Tail Power Company                  |                                                                                                                       |                                              |                                  |
| NOTES TO FINANCIAL STATEMENTS (Continued) |                                                                                                                       |                                              |                                  |

OTP's deferred tax assets and liabilities were composed of the following on December 31:

| <i>(in thousands)</i>                                 | 2019        | 2018        |
|-------------------------------------------------------|-------------|-------------|
| Deferred Tax Assets                                   |             |             |
| Federal Production Tax Credits (PTCs)                 | \$22,629    | \$36,199    |
| North Dakota Wind Tax Credits                         | 35,501      | 35,520      |
| Benefit Liabilities                                   | 15,495      | 14,709      |
| Differences Related to Property                       | 5,984       | 5,655       |
| Net Operating Loss Carryforward                       | -           | 1,465       |
| Vacation Accrual                                      | 1,083       | 1,128       |
| Investment Tax Credits                                | 408         | 449         |
| Regulatory Asset                                      | 2,756       | 1,540       |
| Other                                                 | 1,179       | 1,866       |
| Total Deferred Tax Assets                             | \$85,035    | \$98,531    |
| Deferred Tax Liabilities                              |             |             |
| Differences Related to Property                       | \$(179,337) | \$(180,541) |
| Excess Tax over Book Pension                          | (17,556)    | (15,145)    |
| North Dakota Wind Tax Credits                         | (6,634)     | (6,925)     |
| AQCS Section 169                                      | (6,252)     | (6,413)     |
| Regulatory Liability                                  | (568)       | (3,963)     |
| Renewable Resource Rider Accrued Revenue              | 207         | (228)       |
| Impact of State Net Operating Losses on Federal Taxes | -           | (311)       |
| Other                                                 | (4,360)     | (216)       |
| Total Deferred Tax Liabilities                        | \$(214,500) | \$(213,742) |
| Deferred Income Taxes                                 | \$(129,465) | \$(115,211) |

In November of 2018, the eligibility period for OTP to earn federal PTCs on its in-service wind turbines ended. Prior to the lapse, OTP earned federal PTCs as wind energy was generated based on a per kwh rate prescribed in applicable federal statutes. North Dakota wind energy credits are based on dollars invested in qualifying facilities and are being recognized on a straight-line basis over 25 years.

Schedule of expiration of tax credits available as of December 31, 2019:

| <i>(in thousands)</i> | Amount   | 2035-37  | 2038-43  |
|-----------------------|----------|----------|----------|
| <b>United States</b>  |          |          |          |
| Federal Tax Credits   | \$22,762 | \$19,651 | \$ 3,111 |
| State Tax Credits     | 31,591   | --       | 31,591   |

The following table summarizes the activity related to OTP's unrecognized tax benefits:

| <i>(in thousands)</i>                                          | 2019  | 2018   |
|----------------------------------------------------------------|-------|--------|
| Balance on January 1                                           | \$51  | \$ 120 |
| (Decreases) Increases Related to Tax Positions for Prior Years | --    | --     |
| Increases Related to Tax Positions for Current Year            | --    | --     |
| Uncertain Positions Resolved During Year                       | (51)  | (69)   |
| Balance on December 31                                         | \$ -- | \$ 51  |

Otter Tail Corporation and its subsidiaries, including OTP, file a consolidated U.S. federal income tax return and various state income tax returns. As of December 31, 2019, with limited exceptions, Otter Tail Corporation is no longer subject to examinations by taxing authorities for tax years prior to 2016 for federal and North Dakota state income taxes and for years prior to 2015 for Minnesota state income taxes.

|                                           |                                                                                                                       |                                              |                                  |
|-------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------|----------------------------------|
| Name of Respondent                        | This Report is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>2019/Q4 |
| Otter Tail Power Company                  |                                                                                                                       |                                              |                                  |
| NOTES TO FINANCIAL STATEMENTS (Continued) |                                                                                                                       |                                              |                                  |

### 13. Asset Retirement Obligations (AROs)

OTP's AROs are related to its coal-fired generation plants and its 92 wind turbines located in North Dakota. The AROs include items such as site restoration, closure of ash pits, and removal of certain structures, generators, asbestos and storage tanks. OTP has legal obligations associated with the retirement of a variety of other long-lived tangible assets used in electric operations where the estimated settlement costs are individually and collectively immaterial. OTP has no assets legally restricted for the settlement of any of its AROs.

OTP recorded no new AROs in 2019.

Reconciliations of carrying amounts of the present value of OTP's legal AROs, capitalized asset retirement costs and related accumulated depreciation and a summary of settlement activity for the years ended December 31, 2019 and 2018 are presented in the following table:

| <i>(in thousands)</i>                                                | 2019     | 2018    |
|----------------------------------------------------------------------|----------|---------|
| <u>Asset Retirement Obligations</u>                                  |          |         |
| Beginning Balance                                                    | \$9,117  | \$8,719 |
| New Obligations Recognized                                           | --       | --      |
| Adjustments Due to Revisions in Cash Flow Estimates                  | 3,099    | --      |
| Accrued Accretion                                                    | 440      | 398     |
| Settlements                                                          | --       | --      |
| Ending Balance                                                       | \$12,656 | \$9,117 |
| <u>Asset Retirement Costs Capitalized</u>                            |          |         |
| Beginning Balance                                                    | \$2,983  | \$2,983 |
| New Obligations Recognized                                           | --       | --      |
| Adjustments Due to Revisions in Cash Flow Estimates                  | 3,099    | --      |
| Settlements                                                          | --       | --      |
| Ending Balance                                                       | \$6,082  | \$2,983 |
| <u>Accumulated Depreciation – Asset Retirement Costs Capitalized</u> |          |         |
| Beginning Balance                                                    | \$1,034  | \$915   |
| New Obligations Recognized                                           | --       | --      |
| Adjustments Due to Revisions in Cash Flow Estimates                  | --       | --      |
| Depreciation Expense                                                 | 163      | 119     |
| Settlements                                                          | --       | --      |
| Ending Balance                                                       | \$1,197  | \$1,034 |
| <u>Settlements</u>                                                   | None     | None    |
| Original Capitalized Asset Retirement Cost – Retired                 | \$--     | \$--    |
| Accumulated Depreciation                                             | --       | --      |
| Asset Retirement Obligation                                          | \$--     | \$--    |
| Settlement Cost                                                      | --       | --      |
| Gain on Settlement – Deferred Under Regulatory Accounting            | \$--     | \$--    |



|                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                        |                                                                                                                       |                                                          |                                              |                                         |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|----------------------------------------------|-----------------------------------------|
| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                        | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |                                                          | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |
| STATEMENTS OF ACCUMULATED COMPREHENSIVE INCOME, COMPREHENSIVE INCOME, AND HEDGING ACTIVITIES                                                                                                                                                                                                                                                                                                                                                         |                                                                        |                                                                                                                       |                                                          |                                              |                                         |
| 1. Report in columns (b),(c),(d) and (e) the amounts of accumulated other comprehensive income items, on a net-of-tax basis, where appropriate.<br>2. Report in columns (f) and (g) the amounts of other categories of other cash flow hedges.<br>3. For each category of hedges that have been accounted for as "fair value hedges", report the accounts affected and the related amounts in a footnote.<br>4. Report data on a year-to-date basis. |                                                                        |                                                                                                                       |                                                          |                                              |                                         |
| Line No.                                                                                                                                                                                                                                                                                                                                                                                                                                             | Item<br><br>(a)                                                        | Unrealized Gains and Losses on Available-for-Sale Securities<br>(b)                                                   | Minimum Pension Liability adjustment (net amount)<br>(c) | Foreign Currency Hedges<br>(d)               | Other Adjustments<br>(e)                |
| 1                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Balance of Account 219 at Beginning of Preceding Year                  |                                                                                                                       |                                                          |                                              | ( 2,419,283)                            |
| 2                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Preceding Qtr/Yr to Date Reclassifications from Acct 219 to Net Income |                                                                                                                       |                                                          |                                              | 251,362                                 |
| 3                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Preceding Quarter/Year to Date Changes in Fair Value                   |                                                                                                                       |                                                          |                                              | 527,077                                 |
| 4                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Total (lines 2 and 3)                                                  |                                                                                                                       |                                                          |                                              | 778,439                                 |
| 5                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Balance of Account 219 at End of Preceding Quarter/Year                |                                                                                                                       |                                                          |                                              | ( 1,640,844)                            |
| 6                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Balance of Account 219 at Beginning of Current Year                    |                                                                                                                       |                                                          |                                              | ( 1,640,844)                            |
| 7                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Current Qtr/Yr to Date Reclassifications from Acct 219 to Net Income   |                                                                                                                       |                                                          |                                              | 143,172                                 |
| 8                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Current Quarter/Year to Date Changes in Fair Value                     |                                                                                                                       |                                                          |                                              | ( 911,436)                              |
| 9                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Total (lines 7 and 8)                                                  |                                                                                                                       |                                                          |                                              | ( 768,264)                              |
| 10                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Balance of Account 219 at End of Current Quarter/Year                  |                                                                                                                       |                                                          |                                              | ( 2,409,108)                            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                        |                                                                                                                       |                                                          |                                              |                                         |

|                                                                                              |                                                          |                                                                                                                       |                                                                      |                                                                |                                         |  |
|----------------------------------------------------------------------------------------------|----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|----------------------------------------------------------------|-----------------------------------------|--|
| Name of Respondent<br>Otter Tail Power Company                                               |                                                          | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |                                                                      | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019                   | Year/Period of Report<br>End of 2019/Q4 |  |
| STATEMENTS OF ACCUMULATED COMPREHENSIVE INCOME, COMPREHENSIVE INCOME, AND HEDGING ACTIVITIES |                                                          |                                                                                                                       |                                                                      |                                                                |                                         |  |
|                                                                                              |                                                          |                                                                                                                       |                                                                      |                                                                |                                         |  |
| Line No.                                                                                     | Other Cash Flow Hedges<br>Interest Rate Swaps<br><br>(f) | Other Cash Flow Hedges<br>[Specify]<br><br>(g)                                                                        | Totals for each category of items recorded in Account 219<br><br>(h) | Net Income (Carried Forward from Page 117, Line 78)<br><br>(i) | Total Comprehensive Income<br><br>(j)   |  |
| 1                                                                                            |                                                          |                                                                                                                       | ( 2,419,283)                                                         |                                                                |                                         |  |
| 2                                                                                            |                                                          |                                                                                                                       | 251,362                                                              |                                                                |                                         |  |
| 3                                                                                            |                                                          |                                                                                                                       | 527,077                                                              |                                                                |                                         |  |
| 4                                                                                            |                                                          |                                                                                                                       | 778,439                                                              | 54,430,636                                                     | 55,209,075                              |  |
| 5                                                                                            |                                                          |                                                                                                                       | ( 1,640,844)                                                         |                                                                |                                         |  |
| 6                                                                                            |                                                          |                                                                                                                       | ( 1,640,844)                                                         |                                                                |                                         |  |
| 7                                                                                            |                                                          |                                                                                                                       | 143,172                                                              |                                                                |                                         |  |
| 8                                                                                            |                                                          |                                                                                                                       | ( 911,436)                                                           |                                                                |                                         |  |
| 9                                                                                            |                                                          |                                                                                                                       | ( 768,264)                                                           | 59,045,771                                                     | 58,277,507                              |  |
| 10                                                                                           |                                                          |                                                                                                                       | ( 2,409,108)                                                         |                                                                |                                         |  |
|                                                                                              |                                                          |                                                                                                                       |                                                                      |                                                                |                                         |  |

| Name of Respondent<br>Otter Tail Power Company                                                                                                                                          |                                                   | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |                 | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|-----------------|----------------------------------------------|-----------------------------------------|
| SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS<br>FOR DEPRECIATION, AMORTIZATION AND DEPLETION                                                                                     |                                                   |                                                                                                                       |                 |                                              |                                         |
| Report in Column (c) the amount for electric function, in column (d) the amount for gas function, in column (e), (f), and (g) report other (specify) and in column (h) common function. |                                                   |                                                                                                                       |                 |                                              |                                         |
| Line No.                                                                                                                                                                                | Classification<br>(a)                             | Total Company for the<br>Current Year/Quarter Ended<br>(b)                                                            | Electric<br>(c) |                                              |                                         |
| 1                                                                                                                                                                                       | Utility Plant                                     |                                                                                                                       |                 |                                              |                                         |
| 2                                                                                                                                                                                       | In Service                                        |                                                                                                                       |                 |                                              |                                         |
| 3                                                                                                                                                                                       | Plant in Service (Classified)                     | 2,027,336,130                                                                                                         | 2,027,336,130   |                                              |                                         |
| 4                                                                                                                                                                                       | Property Under Capital Leases                     |                                                                                                                       |                 |                                              |                                         |
| 5                                                                                                                                                                                       | Plant Purchased or Sold                           |                                                                                                                       |                 |                                              |                                         |
| 6                                                                                                                                                                                       | Completed Construction not Classified             | 185,213,974                                                                                                           | 185,213,974     |                                              |                                         |
| 7                                                                                                                                                                                       | Experimental Plant Unclassified                   |                                                                                                                       |                 |                                              |                                         |
| 8                                                                                                                                                                                       | Total (3 thru 7)                                  | 2,212,550,104                                                                                                         | 2,212,550,104   |                                              |                                         |
| 9                                                                                                                                                                                       | Leased to Others                                  |                                                                                                                       |                 |                                              |                                         |
| 10                                                                                                                                                                                      | Held for Future Use                               | 29,656                                                                                                                | 29,656          |                                              |                                         |
| 11                                                                                                                                                                                      | Construction Work in Progress                     | 177,838,740                                                                                                           | 177,838,740     |                                              |                                         |
| 12                                                                                                                                                                                      | Acquisition Adjustments                           | 1,647,128                                                                                                             | 1,647,128       |                                              |                                         |
| 13                                                                                                                                                                                      | Total Utility Plant (8 thru 12)                   | 2,392,065,628                                                                                                         | 2,392,065,628   |                                              |                                         |
| 14                                                                                                                                                                                      | Accum Prov for Depr, Amort, & Depl                | 828,751,531                                                                                                           | 828,751,531     |                                              |                                         |
| 15                                                                                                                                                                                      | Net Utility Plant (13 less 14)                    | 1,563,314,097                                                                                                         | 1,563,314,097   |                                              |                                         |
| 16                                                                                                                                                                                      | Detail of Accum Prov for Depr, Amort & Depl       |                                                                                                                       |                 |                                              |                                         |
| 17                                                                                                                                                                                      | In Service:                                       |                                                                                                                       |                 |                                              |                                         |
| 18                                                                                                                                                                                      | Depreciation                                      | 819,978,288                                                                                                           | 819,978,288     |                                              |                                         |
| 19                                                                                                                                                                                      | Amort & Depl of Producing Nat Gas Land/Land Right |                                                                                                                       |                 |                                              |                                         |
| 20                                                                                                                                                                                      | Amort of Underground Storage Land/Land Rights     |                                                                                                                       |                 |                                              |                                         |
| 21                                                                                                                                                                                      | Amort of Other Utility Plant                      | 7,126,115                                                                                                             | 7,126,115       |                                              |                                         |
| 22                                                                                                                                                                                      | Total In Service (18 thru 21)                     | 827,104,403                                                                                                           | 827,104,403     |                                              |                                         |
| 23                                                                                                                                                                                      | Leased to Others                                  |                                                                                                                       |                 |                                              |                                         |
| 24                                                                                                                                                                                      | Depreciation                                      |                                                                                                                       |                 |                                              |                                         |
| 25                                                                                                                                                                                      | Amortization and Depletion                        |                                                                                                                       |                 |                                              |                                         |
| 26                                                                                                                                                                                      | Total Leased to Others (24 & 25)                  |                                                                                                                       |                 |                                              |                                         |
| 27                                                                                                                                                                                      | Held for Future Use                               |                                                                                                                       |                 |                                              |                                         |
| 28                                                                                                                                                                                      | Depreciation                                      |                                                                                                                       |                 |                                              |                                         |
| 29                                                                                                                                                                                      | Amortization                                      |                                                                                                                       |                 |                                              |                                         |
| 30                                                                                                                                                                                      | Total Held for Future Use (28 & 29)               |                                                                                                                       |                 |                                              |                                         |
| 31                                                                                                                                                                                      | Abandonment of Leases (Natural Gas)               |                                                                                                                       |                 |                                              |                                         |
| 32                                                                                                                                                                                      | Amort of Plant Acquisition Adj                    | 1,647,128                                                                                                             | 1,647,128       |                                              |                                         |
| 33                                                                                                                                                                                      | Total Accum Prov (equals 14) (22,26,30,31,32)     | 828,751,531                                                                                                           | 828,751,531     |                                              |                                         |

|                                                                                                     |                        |                                                                                                                       |                        |                                              |                                         |
|-----------------------------------------------------------------------------------------------------|------------------------|-----------------------------------------------------------------------------------------------------------------------|------------------------|----------------------------------------------|-----------------------------------------|
| Name of Respondent<br>Otter Tail Power Company                                                      |                        | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |                        | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |
| SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS<br>FOR DEPRECIATION, AMORTIZATION AND DEPLETION |                        |                                                                                                                       |                        |                                              |                                         |
| Gas<br>(d)                                                                                          | Other (Specify)<br>(e) | Other (Specify)<br>(f)                                                                                                | Other (Specify)<br>(g) | Common<br>(h)                                | Line<br>No.                             |
|                                                                                                     |                        |                                                                                                                       |                        |                                              | 1                                       |
|                                                                                                     |                        |                                                                                                                       |                        |                                              | 2                                       |
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|                                                                                                     |                        |                                                                                                                       |                        |                                              | 10                                      |
|                                                                                                     |                        |                                                                                                                       |                        |                                              | 11                                      |
|                                                                                                     |                        |                                                                                                                       |                        |                                              | 12                                      |
|                                                                                                     |                        |                                                                                                                       |                        |                                              | 13                                      |
|                                                                                                     |                        |                                                                                                                       |                        |                                              | 14                                      |
|                                                                                                     |                        |                                                                                                                       |                        |                                              | 15                                      |
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|                                                                                                     |                        |                                                                                                                       |                        |                                              | 19                                      |
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|                                                                                                     |                        |                                                                                                                       |                        |                                              | 21                                      |
|                                                                                                     |                        |                                                                                                                       |                        |                                              | 22                                      |
|                                                                                                     |                        |                                                                                                                       |                        |                                              | 23                                      |
|                                                                                                     |                        |                                                                                                                       |                        |                                              | 24                                      |
|                                                                                                     |                        |                                                                                                                       |                        |                                              | 25                                      |
|                                                                                                     |                        |                                                                                                                       |                        |                                              | 26                                      |
|                                                                                                     |                        |                                                                                                                       |                        |                                              | 27                                      |
|                                                                                                     |                        |                                                                                                                       |                        |                                              | 28                                      |
|                                                                                                     |                        |                                                                                                                       |                        |                                              | 29                                      |
|                                                                                                     |                        |                                                                                                                       |                        |                                              | 30                                      |
|                                                                                                     |                        |                                                                                                                       |                        |                                              | 31                                      |
|                                                                                                     |                        |                                                                                                                       |                        |                                              | 32                                      |
|                                                                                                     |                        |                                                                                                                       |                        |                                              | 33                                      |

|                          |                                                                                                                       |                                              |                                  |
|--------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------|----------------------------------|
| Name of Respondent       | This Report is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>2019/Q4 |
| Otter Tail Power Company |                                                                                                                       |                                              |                                  |
| FOOTNOTE DATA            |                                                                                                                       |                                              |                                  |

**Schedule Page: 200 Line No.: 8 Column: c**

Per its FERC-approved tariff, the Company uses a 13-month average of gross electric plant in service for rate-making purposes, illustrated as follows for the current year:

|                    | Gross Electric Plant<br>in Service |
|--------------------|------------------------------------|
| December 31, 2018  | 2,018,475,490                      |
| January 31, 2019   | 2,018,694,124                      |
| February 28, 2019  | 2,159,708,207                      |
| March 31, 2019     | 2,159,557,380                      |
| April 30, 2019     | 2,161,349,289                      |
| May 31, 2019       | 2,164,530,087                      |
| June 30, 2019      | 2,169,629,057                      |
| July 31, 2019      | 2,172,160,544                      |
| August 31, 2019    | 2,177,937,717                      |
| September 30, 2019 | 2,189,233,175                      |
| October 31, 2019   | 2,196,703,447                      |
| November 30, 2019  | 2,203,465,579                      |
| December 31, 2019  | 2,212,550,104                      |

13-month average for rate-making 2,154,153,400

**Schedule Page: 200 Line No.: 11 Column: c**

Per its FERC-approved tariff, the Company uses a 13-month average of CWIP in rate base for rate-making purposes, illustrated as follows for the current year:

|                    | Account 107<br>Balance | CWIP not<br>in Rates | CWIP in Rate<br>Base |
|--------------------|------------------------|----------------------|----------------------|
| December 31, 2018  | 170,614,396            | 67,378,082           | 103,236,314          |
| January 31, 2019   | 171,054,480            | 67,938,101           | 103,116,378          |
| February 28, 2019  | 34,973,938             | 34,973,938           | 0                    |
| March 31, 2019     | 37,008,404             | 37,008,404           | 0                    |
| April 30, 2019     | 42,824,878             | 42,824,878           | 0                    |
| May 31, 2019       | 51,149,443             | 51,149,443           | 0                    |
| June 30, 2019      | 59,828,830             | 59,828,830           | 0                    |
| July 31, 2019      | 103,333,718            | 103,333,718          | 0                    |
| August 31, 2019    | 129,985,034            | 129,985,034          | 0                    |
| September 30, 2019 | 128,123,740            | 128,123,740          | 0                    |
| October 31, 2019   | 149,436,538            | 149,436,538          | 0                    |
| November 30, 2019  | 161,900,165            | 161,900,165          | 0                    |
| December 31, 2019  | 177,838,740            | 177,838,740          | 0                    |

13-month average for rate-making 15,873,284

| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                          |                                                                       | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |                                         | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|-----------------------------------------|----------------------------------------------|-----------------------------------------|
| NUCLEAR FUEL MATERIALS (Account 120.1 through 120.6 and 157)                                                                                                                                                                                                                                                                                                                                            |                                                                       |                                                                                                                       |                                         |                                              |                                         |
| <p>1. Report below the costs incurred for nuclear fuel materials in process of fabrication, on hand, in reactor, and in cooling; owned by the respondent.</p> <p>2. If the nuclear fuel stock is obtained under leasing arrangements, attach a statement showing the amount of nuclear fuel leased, the quantity used and quantity on hand, and the costs incurred under such leasing arrangements.</p> |                                                                       |                                                                                                                       |                                         |                                              |                                         |
| Line No.                                                                                                                                                                                                                                                                                                                                                                                                | Description of item<br>(a)                                            | Balance<br>Beginning of Year<br>(b)                                                                                   | Changes during Year<br>Additions<br>(c) |                                              |                                         |
| 1                                                                                                                                                                                                                                                                                                                                                                                                       | Nuclear Fuel in process of Refinement, Conv, Enrichment & Fab (120.1) |                                                                                                                       |                                         |                                              |                                         |
| 2                                                                                                                                                                                                                                                                                                                                                                                                       | Fabrication                                                           |                                                                                                                       |                                         |                                              |                                         |
| 3                                                                                                                                                                                                                                                                                                                                                                                                       | Nuclear Materials                                                     |                                                                                                                       |                                         |                                              |                                         |
| 4                                                                                                                                                                                                                                                                                                                                                                                                       | Allowance for Funds Used during Construction                          |                                                                                                                       |                                         |                                              |                                         |
| 5                                                                                                                                                                                                                                                                                                                                                                                                       | (Other Overhead Construction Costs, provide details in footnote)      |                                                                                                                       |                                         |                                              |                                         |
| 6                                                                                                                                                                                                                                                                                                                                                                                                       | SUBTOTAL (Total 2 thru 5)                                             |                                                                                                                       |                                         |                                              |                                         |
| 7                                                                                                                                                                                                                                                                                                                                                                                                       | Nuclear Fuel Materials and Assemblies                                 |                                                                                                                       |                                         |                                              |                                         |
| 8                                                                                                                                                                                                                                                                                                                                                                                                       | In Stock (120.2)                                                      |                                                                                                                       |                                         |                                              |                                         |
| 9                                                                                                                                                                                                                                                                                                                                                                                                       | In Reactor (120.3)                                                    |                                                                                                                       |                                         |                                              |                                         |
| 10                                                                                                                                                                                                                                                                                                                                                                                                      | SUBTOTAL (Total 8 & 9)                                                |                                                                                                                       |                                         |                                              |                                         |
| 11                                                                                                                                                                                                                                                                                                                                                                                                      | Spent Nuclear Fuel (120.4)                                            |                                                                                                                       |                                         |                                              |                                         |
| 12                                                                                                                                                                                                                                                                                                                                                                                                      | Nuclear Fuel Under Capital Leases (120.6)                             |                                                                                                                       |                                         |                                              |                                         |
| 13                                                                                                                                                                                                                                                                                                                                                                                                      | (Less) Accum Prov for Amortization of Nuclear Fuel Assem (120.5)      |                                                                                                                       |                                         |                                              |                                         |
| 14                                                                                                                                                                                                                                                                                                                                                                                                      | TOTAL Nuclear Fuel Stock (Total 6, 10, 11, 12, less 13)               |                                                                                                                       |                                         |                                              |                                         |
| 15                                                                                                                                                                                                                                                                                                                                                                                                      | Estimated net Salvage Value of Nuclear Materials in line 9            |                                                                                                                       |                                         |                                              |                                         |
| 16                                                                                                                                                                                                                                                                                                                                                                                                      | Estimated net Salvage Value of Nuclear Materials in line 11           |                                                                                                                       |                                         |                                              |                                         |
| 17                                                                                                                                                                                                                                                                                                                                                                                                      | Est Net Salvage Value of Nuclear Materials in Chemical Processing     |                                                                                                                       |                                         |                                              |                                         |
| 18                                                                                                                                                                                                                                                                                                                                                                                                      | Nuclear Materials held for Sale (157)                                 |                                                                                                                       |                                         |                                              |                                         |
| 19                                                                                                                                                                                                                                                                                                                                                                                                      | Uranium                                                               |                                                                                                                       |                                         |                                              |                                         |
| 20                                                                                                                                                                                                                                                                                                                                                                                                      | Plutonium                                                             |                                                                                                                       |                                         |                                              |                                         |
| 21                                                                                                                                                                                                                                                                                                                                                                                                      | Other (provide details in footnote):                                  |                                                                                                                       |                                         |                                              |                                         |
| 22                                                                                                                                                                                                                                                                                                                                                                                                      | TOTAL Nuclear Materials held for Sale (Total 19, 20, and 21)          |                                                                                                                       |                                         |                                              |                                         |

|                                                              |  |                                                                                                                       |  |                                              |                                                |
|--------------------------------------------------------------|--|-----------------------------------------------------------------------------------------------------------------------|--|----------------------------------------------|------------------------------------------------|
| Name of Respondent<br>Otter Tail Power Company               |  | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |  | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of <u>2019/Q4</u> |
| NUCLEAR FUEL MATERIALS (Account 120.1 through 120.6 and 157) |  |                                                                                                                       |  |                                              |                                                |
|                                                              |  |                                                                                                                       |  |                                              |                                                |
| Amortization<br>(d)                                          |  | Changes during Year<br>Other Reductions (Explain in a footnote)<br>(e)                                                |  | Balance<br>End of Year<br>(f)                | Line<br>No.                                    |
|                                                              |  |                                                                                                                       |  |                                              | 1                                              |
|                                                              |  |                                                                                                                       |  |                                              | 2                                              |
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|                                                              |  |                                                                                                                       |  |                                              |                                                |



|                          |                                                                                                                       |                                              |                                  |
|--------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------|----------------------------------|
| Name of Respondent       | This Report is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>2019/Q4 |
| Otter Tail Power Company |                                                                                                                       |                                              |                                  |
| FOOTNOTE DATA            |                                                                                                                       |                                              |                                  |

|                                                                          |
|--------------------------------------------------------------------------|
| <b>Schedule Page: 202    Line No.: 2    Column: b</b><br>Not applicable. |
|--------------------------------------------------------------------------|

| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                    | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------|-----------------------------------------|
| ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                    |                                                                                                                       |                                              |                                         |
| <p>1. Report below the original cost of electric plant in service according to the prescribed accounts.</p> <p>2. In addition to Account 101, Electric Plant in Service (Classified), this page and the next include Account 102, Electric Plant Purchased or Sold; Account 103, Experimental Electric Plant Unclassified; and Account 106, Completed Construction Not Classified-Electric.</p> <p>3. Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.</p> <p>4. For revisions to the amount of initial asset retirement costs capitalized, included by primary plant account, increases in column (c) additions and reductions in column (e) adjustments.</p> <p>5. Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such accounts.</p> <p>6. Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d)</p> |                                                                    |                                                                                                                       |                                              |                                         |
| Line No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Account<br>(a)                                                     | Balance<br>Beginning of Year<br>(b)                                                                                   | Additions<br>(c)                             |                                         |
| 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 1. INTANGIBLE PLANT                                                |                                                                                                                       |                                              |                                         |
| 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | (301) Organization                                                 |                                                                                                                       |                                              |                                         |
| 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | (302) Franchises and Consents                                      | 1,301,974                                                                                                             |                                              |                                         |
| 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | (303) Miscellaneous Intangible Plant                               | 8,829,670                                                                                                             | 21,352,828                                   |                                         |
| 5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | TOTAL Intangible Plant (Enter Total of lines 2, 3, and 4)          | 10,131,644                                                                                                            | 21,352,828                                   |                                         |
| 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 2. PRODUCTION PLANT                                                |                                                                                                                       |                                              |                                         |
| 7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | A. Steam Production Plant                                          |                                                                                                                       |                                              |                                         |
| 8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | (310) Land and Land Rights                                         | 1,654,157                                                                                                             |                                              |                                         |
| 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | (311) Structures and Improvements                                  | 119,993,612                                                                                                           | 719,541                                      |                                         |
| 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | (312) Boiler Plant Equipment                                       | 350,745,066                                                                                                           | 8,651,058                                    |                                         |
| 11                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | (313) Engines and Engine-Driven Generators                         |                                                                                                                       |                                              |                                         |
| 12                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | (314) Turbogenerator Units                                         | 65,812,501                                                                                                            | 1,242,133                                    |                                         |
| 13                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | (315) Accessory Electric Equipment                                 | 35,548,097                                                                                                            | 230,411                                      |                                         |
| 14                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | (316) Misc. Power Plant Equipment                                  | 6,552,745                                                                                                             | 244,947                                      |                                         |
| 15                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | (317) Asset Retirement Costs for Steam Production                  | 2,758,150                                                                                                             | -529,797                                     |                                         |
| 16                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | TOTAL Steam Production Plant (Enter Total of lines 8 thru 15)      | 583,064,328                                                                                                           | 10,558,293                                   |                                         |
| 17                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | B. Nuclear Production Plant                                        |                                                                                                                       |                                              |                                         |
| 18                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | (320) Land and Land Rights                                         |                                                                                                                       |                                              |                                         |
| 19                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | (321) Structures and Improvements                                  |                                                                                                                       |                                              |                                         |
| 20                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | (322) Reactor Plant Equipment                                      |                                                                                                                       |                                              |                                         |
| 21                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | (323) Turbogenerator Units                                         |                                                                                                                       |                                              |                                         |
| 22                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | (324) Accessory Electric Equipment                                 |                                                                                                                       |                                              |                                         |
| 23                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | (325) Misc. Power Plant Equipment                                  |                                                                                                                       |                                              |                                         |
| 24                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | (326) Asset Retirement Costs for Nuclear Production                |                                                                                                                       |                                              |                                         |
| 25                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | TOTAL Nuclear Production Plant (Enter Total of lines 18 thru 24)   |                                                                                                                       |                                              |                                         |
| 26                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | C. Hydraulic Production Plant                                      |                                                                                                                       |                                              |                                         |
| 27                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | (330) Land and Land Rights                                         | 299,623                                                                                                               |                                              |                                         |
| 28                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | (331) Structures and Improvements                                  | 351,712                                                                                                               |                                              |                                         |
| 29                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | (332) Reservoirs, Dams, and Waterways                              | 4,277,054                                                                                                             |                                              |                                         |
| 30                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | (333) Water Wheels, Turbines, and Generators                       | 1,373,867                                                                                                             |                                              |                                         |
| 31                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | (334) Accessory Electric Equipment                                 | 597,103                                                                                                               |                                              |                                         |
| 32                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | (335) Misc. Power Plant Equipment                                  | 435,296                                                                                                               |                                              |                                         |
| 33                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | (336) Roads, Railroads, and Bridges                                |                                                                                                                       |                                              |                                         |
| 34                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | (337) Asset Retirement Costs for Hydraulic Production              |                                                                                                                       |                                              |                                         |
| 35                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | TOTAL Hydraulic Production Plant (Enter Total of lines 27 thru 34) | 7,334,655                                                                                                             |                                              |                                         |
| 36                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | D. Other Production Plant                                          |                                                                                                                       |                                              |                                         |
| 37                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | (340) Land and Land Rights                                         | 126,762                                                                                                               |                                              |                                         |
| 38                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | (341) Structures and Improvements                                  | 13,335,843                                                                                                            |                                              |                                         |
| 39                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | (342) Fuel Holders, Products, and Accessories                      | 1,748,266                                                                                                             | 49,212                                       |                                         |
| 40                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | (343) Prime Movers                                                 | 33,356,309                                                                                                            | 1,518,643                                    |                                         |
| 41                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | (344) Generators                                                   | 241,850,906                                                                                                           | 1,077,737                                    |                                         |
| 42                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | (345) Accessory Electric Equipment                                 | 20,688,763                                                                                                            |                                              |                                         |
| 43                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | (346) Misc. Power Plant Equipment                                  | 628,270                                                                                                               | 65,987                                       |                                         |
| 44                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | (347) Asset Retirement Costs for Other Production                  | 224,652                                                                                                               | 3,628,610                                    |                                         |
| 45                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | TOTAL Other Prod. Plant (Enter Total of lines 37 thru 44)          | 311,959,771                                                                                                           | 6,340,189                                    |                                         |
| 46                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | TOTAL Prod. Plant (Enter Total of lines 16, 25, 35, and 45)        | 902,358,754                                                                                                           | 16,898,482                                   |                                         |

| Name of Respondent<br>Otter Tail Power Company                        |                                                                        | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |
|-----------------------------------------------------------------------|------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------|-----------------------------------------|
| ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued) |                                                                        |                                                                                                                       |                                              |                                         |
| Line No.                                                              | Account<br>(a)                                                         | Balance<br>Beginning of Year<br>(b)                                                                                   | Additions<br>(c)                             |                                         |
| 47                                                                    | 3. TRANSMISSION PLANT                                                  |                                                                                                                       |                                              |                                         |
| 48                                                                    | (350) Land and Land Rights                                             | 18,441,450                                                                                                            | -12,445                                      |                                         |
| 49                                                                    | (352) Structures and Improvements                                      |                                                                                                                       |                                              |                                         |
| 50                                                                    | (353) Station Equipment                                                | 125,116,170                                                                                                           | 11,569,779                                   |                                         |
| 51                                                                    | (354) Towers and Fixtures                                              | 114,207,269                                                                                                           | 48,898,623                                   |                                         |
| 52                                                                    | (355) Poles and Fixtures                                               | 123,728,553                                                                                                           | 13,731,802                                   |                                         |
| 53                                                                    | (356) Overhead Conductors and Devices                                  | 131,339,013                                                                                                           | 61,094,563                                   |                                         |
| 54                                                                    | (357) Underground Conduit                                              |                                                                                                                       |                                              |                                         |
| 55                                                                    | (358) Underground Conductors and Devices                               | 77,461                                                                                                                |                                              |                                         |
| 56                                                                    | (359) Roads and Trails                                                 |                                                                                                                       |                                              |                                         |
| 57                                                                    | (359.1) Asset Retirement Costs for Transmission Plant                  |                                                                                                                       |                                              |                                         |
| 58                                                                    | TOTAL Transmission Plant (Enter Total of lines 48 thru 57)             | 512,909,916                                                                                                           | 135,282,322                                  |                                         |
| 59                                                                    | 4. DISTRIBUTION PLANT                                                  |                                                                                                                       |                                              |                                         |
| 60                                                                    | (360) Land and Land Rights                                             | 1,379,254                                                                                                             |                                              |                                         |
| 61                                                                    | (361) Structures and Improvements                                      |                                                                                                                       |                                              |                                         |
| 62                                                                    | (362) Station Equipment                                                | 82,220,295                                                                                                            | 7,135,229                                    |                                         |
| 63                                                                    | (363) Storage Battery Equipment                                        |                                                                                                                       |                                              |                                         |
| 64                                                                    | (364) Poles, Towers, and Fixtures                                      | 75,363,243                                                                                                            | 2,067,232                                    |                                         |
| 65                                                                    | (365) Overhead Conductors and Devices                                  | 53,159,258                                                                                                            | 1,534,657                                    |                                         |
| 66                                                                    | (366) Underground Conduit                                              |                                                                                                                       |                                              |                                         |
| 67                                                                    | (367) Underground Conductors and Devices                               | 82,606,884                                                                                                            | 5,132,184                                    |                                         |
| 68                                                                    | (368) Line Transformers                                                | 103,417,431                                                                                                           | 6,963,819                                    |                                         |
| 69                                                                    | (369) Services                                                         | 56,835,972                                                                                                            | 1,490,745                                    |                                         |
| 70                                                                    | (370) Meters                                                           | 36,073,790                                                                                                            | 1,001,660                                    |                                         |
| 71                                                                    | (371) Installations on Customer Premises                               | 5,429,418                                                                                                             | 1,062,810                                    |                                         |
| 72                                                                    | (372) Leased Property on Customer Premises                             |                                                                                                                       |                                              |                                         |
| 73                                                                    | (373) Street Lighting and Signal Systems                               | 5,966,592                                                                                                             | 1,438,037                                    |                                         |
| 74                                                                    | (374) Asset Retirement Costs for Distribution Plant                    |                                                                                                                       |                                              |                                         |
| 75                                                                    | TOTAL Distribution Plant (Enter Total of lines 60 thru 74)             | 502,452,137                                                                                                           | 27,826,373                                   |                                         |
| 76                                                                    | 5. REGIONAL TRANSMISSION AND MARKET OPERATION PLANT                    |                                                                                                                       |                                              |                                         |
| 77                                                                    | (380) Land and Land Rights                                             |                                                                                                                       |                                              |                                         |
| 78                                                                    | (381) Structures and Improvements                                      |                                                                                                                       |                                              |                                         |
| 79                                                                    | (382) Computer Hardware                                                |                                                                                                                       |                                              |                                         |
| 80                                                                    | (383) Computer Software                                                |                                                                                                                       |                                              |                                         |
| 81                                                                    | (384) Communication Equipment                                          |                                                                                                                       |                                              |                                         |
| 82                                                                    | (385) Miscellaneous Regional Transmission and Market Operation Plant   |                                                                                                                       |                                              |                                         |
| 83                                                                    | (386) Asset Retirement Costs for Regional Transmission and Market Oper |                                                                                                                       |                                              |                                         |
| 84                                                                    | TOTAL Transmission and Market Operation Plant (Total lines 77 thru 83) |                                                                                                                       |                                              |                                         |
| 85                                                                    | 6. GENERAL PLANT                                                       |                                                                                                                       |                                              |                                         |
| 86                                                                    | (389) Land and Land Rights                                             | 1,520,190                                                                                                             | 55,000                                       |                                         |
| 87                                                                    | (390) Structures and Improvements                                      | 31,485,277                                                                                                            | 2,912,132                                    |                                         |
| 88                                                                    | (391) Office Furniture and Equipment                                   | 6,080,018                                                                                                             | 449,467                                      |                                         |
| 89                                                                    | (392) Transportation Equipment                                         | 35,447,602                                                                                                            | 2,286,261                                    |                                         |
| 90                                                                    | (393) Stores Equipment                                                 |                                                                                                                       |                                              |                                         |
| 91                                                                    | (394) Tools, Shop and Garage Equipment                                 | 4,940,979                                                                                                             | 237,279                                      |                                         |
| 92                                                                    | (395) Laboratory Equipment                                             |                                                                                                                       |                                              |                                         |
| 93                                                                    | (396) Power Operated Equipment                                         | 922,562                                                                                                               | 477,554                                      |                                         |
| 94                                                                    | (397) Communication Equipment                                          | 10,226,411                                                                                                            | 270,322                                      |                                         |
| 95                                                                    | (398) Miscellaneous Equipment                                          |                                                                                                                       |                                              |                                         |
| 96                                                                    | SUBTOTAL (Enter Total of lines 86 thru 95)                             | 90,623,039                                                                                                            | 6,688,015                                    |                                         |
| 97                                                                    | (399) Other Tangible Property                                          |                                                                                                                       |                                              |                                         |
| 98                                                                    | (399.1) Asset Retirement Costs for General Plant                       |                                                                                                                       |                                              |                                         |
| 99                                                                    | TOTAL General Plant (Enter Total of lines 96, 97 and 98)               | 90,623,039                                                                                                            | 6,688,015                                    |                                         |
| 100                                                                   | TOTAL (Accounts 101 and 106)                                           | 2,018,475,490                                                                                                         | 208,048,020                                  |                                         |
| 101                                                                   | (102) Electric Plant Purchased (See Instr. 8)                          |                                                                                                                       |                                              |                                         |
| 102                                                                   | (Less) (102) Electric Plant Sold (See Instr. 8)                        |                                                                                                                       |                                              |                                         |
| 103                                                                   | (103) Experimental Plant Unclassified                                  |                                                                                                                       |                                              |                                         |
| 104                                                                   | TOTAL Electric Plant in Service (Enter Total of lines 100 thru 103)    | 2,018,475,490                                                                                                         | 208,048,020                                  |                                         |
|                                                                       |                                                                        |                                                                                                                       |                                              |                                         |

| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |             |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------|-----------------------------------------|-------------|
| ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                       |                                              |                                         |             |
| <p>distributions of these tentative classifications in columns (c) and (d), including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Accounts 101 and 106 will avoid serious omissions of the reported amount of respondent's plant actually in service at end of year.</p> <p>7. Show in column (f) reclassifications or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc., and show in column (f) only the offset to the debits or credits distributed in column (f) to primary account classifications.</p> <p>8. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement showing subaccount classification of such plant conforming to the requirement of these pages.</p> <p>9. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchase, and date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give also date</p> |                                                                                                                       |                                              |                                         |             |
| Retirements<br>(d)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Adjustments<br>(e)                                                                                                    | Transfers<br>(f)                             | Balance at<br>End of Year<br>(g)        | Line<br>No. |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                       |                                              |                                         | 1           |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                       |                                              |                                         | 2           |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                       |                                              | 1,301,974                               | 3           |
| 696,391                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                       |                                              | 29,486,107                              | 4           |
| 696,391                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                       |                                              | 30,788,081                              | 5           |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                       |                                              |                                         | 6           |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                       |                                              |                                         | 7           |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                       |                                              | 1,654,157                               | 8           |
| 56,981                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                       | 2,542                                        | 120,658,714                             | 9           |
| 2,283,149                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                       |                                              | 357,112,975                             | 10          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                       |                                              |                                         | 11          |
| 95,590                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                       |                                              | 66,959,044                              | 12          |
| 8,189                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                       |                                              | 35,770,319                              | 13          |
| 103,023                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                       |                                              | 6,694,669                               | 14          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                       |                                              | 2,228,353                               | 15          |
| 2,546,932                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                       | 2,542                                        | 591,078,231                             | 16          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                       |                                              |                                         | 17          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                       |                                              |                                         | 18          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                       |                                              |                                         | 19          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                       |                                              |                                         | 20          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                       |                                              |                                         | 21          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                       |                                              |                                         | 22          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                       |                                              |                                         | 23          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                       |                                              |                                         | 24          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                       |                                              |                                         | 25          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                       |                                              |                                         | 26          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                       |                                              | 299,623                                 | 27          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                       |                                              | 351,712                                 | 28          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                       |                                              | 4,277,054                               | 29          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                       |                                              | 1,373,867                               | 30          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                       |                                              | 597,103                                 | 31          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                       |                                              | 435,296                                 | 32          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                       |                                              |                                         | 33          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                       |                                              |                                         | 34          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                       |                                              | 7,334,655                               | 35          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                       |                                              |                                         | 36          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                       |                                              | 126,762                                 | 37          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                       |                                              | 13,335,843                              | 38          |
| 33,012                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                       |                                              | 1,764,466                               | 39          |
| 3,476,143                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                       |                                              | 31,398,809                              | 40          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                       |                                              | 242,928,643                             | 41          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                       | -46,012                                      | 20,642,751                              | 42          |
| 8,096                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                       |                                              | 686,161                                 | 43          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                       |                                              | 3,853,262                               | 44          |
| 3,517,251                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                       | -46,012                                      | 314,736,697                             | 45          |
| 6,064,183                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                       | -43,470                                      | 913,149,583                             | 46          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                       |                                              |                                         |             |

| Name of Respondent<br>Otter Tail Power Company                        |                    | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |                                  | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |
|-----------------------------------------------------------------------|--------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------------------|-----------------------------------------|
| ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued) |                    |                                                                                                                       |                                  |                                              |                                         |
| Retirements<br>(d)                                                    | Adjustments<br>(e) | Transfers<br>(f)                                                                                                      | Balance at<br>End of Year<br>(g) |                                              | Line<br>No.                             |
|                                                                       |                    |                                                                                                                       |                                  |                                              | 47                                      |
|                                                                       |                    | 259,345                                                                                                               | 18,688,350                       |                                              | 48                                      |
|                                                                       |                    |                                                                                                                       |                                  |                                              | 49                                      |
| 226,744                                                               |                    | 185,804                                                                                                               | 136,645,009                      |                                              | 50                                      |
|                                                                       |                    | 230,665                                                                                                               | 163,336,557                      |                                              | 51                                      |
| 176,513                                                               |                    | -490,010                                                                                                              | 136,793,832                      |                                              | 52                                      |
| 89,569                                                                |                    | 10,844                                                                                                                | 192,354,851                      |                                              | 53                                      |
|                                                                       |                    |                                                                                                                       |                                  |                                              | 54                                      |
|                                                                       |                    |                                                                                                                       | 77,461                           |                                              | 55                                      |
|                                                                       |                    |                                                                                                                       |                                  |                                              | 56                                      |
|                                                                       |                    |                                                                                                                       |                                  |                                              | 57                                      |
| 492,826                                                               |                    | 196,648                                                                                                               | 647,896,060                      |                                              | 58                                      |
|                                                                       |                    |                                                                                                                       |                                  |                                              | 59                                      |
| 4,306                                                                 |                    |                                                                                                                       | 1,374,948                        |                                              | 60                                      |
|                                                                       |                    |                                                                                                                       |                                  |                                              | 61                                      |
| 826,319                                                               |                    | -212,606                                                                                                              | 88,316,599                       |                                              | 62                                      |
|                                                                       |                    |                                                                                                                       |                                  |                                              | 63                                      |
| 97,593                                                                |                    |                                                                                                                       | 77,332,882                       |                                              | 64                                      |
| 139,295                                                               |                    | 20,483                                                                                                                | 54,575,103                       |                                              | 65                                      |
|                                                                       |                    |                                                                                                                       |                                  |                                              | 66                                      |
| 280,041                                                               |                    | 493                                                                                                                   | 87,459,520                       |                                              | 67                                      |
| 1,010,829                                                             |                    | -4,814                                                                                                                | 109,365,607                      |                                              | 68                                      |
| 42,992                                                                |                    |                                                                                                                       | 58,283,725                       |                                              | 69                                      |
| 91,944                                                                |                    |                                                                                                                       | 36,983,506                       |                                              | 70                                      |
| 404,850                                                               |                    | 276                                                                                                                   | 6,087,654                        |                                              | 71                                      |
|                                                                       |                    |                                                                                                                       |                                  |                                              | 72                                      |
| 475,676                                                               |                    | -480                                                                                                                  | 6,928,473                        |                                              | 73                                      |
|                                                                       |                    |                                                                                                                       |                                  |                                              | 74                                      |
| 3,373,845                                                             |                    | -196,648                                                                                                              | 526,708,017                      |                                              | 75                                      |
|                                                                       |                    |                                                                                                                       |                                  |                                              | 76                                      |
|                                                                       |                    |                                                                                                                       |                                  |                                              | 77                                      |
|                                                                       |                    |                                                                                                                       |                                  |                                              | 78                                      |
|                                                                       |                    |                                                                                                                       |                                  |                                              | 79                                      |
|                                                                       |                    |                                                                                                                       |                                  |                                              | 80                                      |
|                                                                       |                    |                                                                                                                       |                                  |                                              | 81                                      |
|                                                                       |                    |                                                                                                                       |                                  |                                              | 82                                      |
|                                                                       |                    |                                                                                                                       |                                  |                                              | 83                                      |
|                                                                       |                    |                                                                                                                       |                                  |                                              | 84                                      |
|                                                                       |                    |                                                                                                                       |                                  |                                              | 85                                      |
| -2,500                                                                |                    |                                                                                                                       | 1,577,690                        |                                              | 86                                      |
| 11,887                                                                |                    | -2,542                                                                                                                | 34,382,980                       |                                              | 87                                      |
| 572,628                                                               |                    | 6,039                                                                                                                 | 5,962,896                        |                                              | 88                                      |
| 1,569,878                                                             |                    |                                                                                                                       | 36,163,985                       |                                              | 89                                      |
|                                                                       |                    |                                                                                                                       |                                  |                                              | 90                                      |
| 133,098                                                               |                    | -34,394                                                                                                               | 5,010,766                        |                                              | 91                                      |
|                                                                       |                    |                                                                                                                       |                                  |                                              | 92                                      |
| 77,095                                                                |                    | 33,155                                                                                                                | 1,356,176                        |                                              | 93                                      |
| 984,076                                                               |                    | 41,212                                                                                                                | 9,553,869                        |                                              | 94                                      |
|                                                                       |                    |                                                                                                                       |                                  |                                              | 95                                      |
| 3,346,162                                                             |                    | 43,470                                                                                                                | 94,008,362                       |                                              | 96                                      |
|                                                                       |                    |                                                                                                                       |                                  |                                              | 97                                      |
|                                                                       |                    |                                                                                                                       |                                  |                                              | 98                                      |
| 3,346,162                                                             |                    | 43,470                                                                                                                | 94,008,362                       |                                              | 99                                      |
| 13,973,407                                                            |                    |                                                                                                                       | 2,212,550,103                    |                                              | 100                                     |
|                                                                       |                    |                                                                                                                       |                                  |                                              | 101                                     |
|                                                                       |                    |                                                                                                                       |                                  |                                              | 102                                     |
|                                                                       |                    |                                                                                                                       |                                  |                                              | 103                                     |
| 13,973,407                                                            |                    |                                                                                                                       | 2,212,550,103                    |                                              | 104                                     |
|                                                                       |                    |                                                                                                                       |                                  |                                              |                                         |

|                          |                                                                                                                       |                                              |                                  |
|--------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------|----------------------------------|
| Name of Respondent       | This Report is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>2019/Q4 |
| Otter Tail Power Company |                                                                                                                       |                                              |                                  |
| FOOTNOTE DATA            |                                                                                                                       |                                              |                                  |

**Schedule Page: 204 Line No.: 5 Column: g**

Per its FERC-approved tariff, the Company uses a 13-month average of intangible electric plant in service for rate-making purposes, illustrated as follows for the current year:

| Intangible Electric Plant in Service |            |
|--------------------------------------|------------|
| December 31, 2018                    | 10,131,644 |
| January 31, 2019                     | 9,841,302  |
| February 28, 2019                    | 28,730,914 |
| March 31, 2019                       | 29,276,124 |
| April 30, 2019                       | 29,517,217 |
| May 31, 2019                         | 29,596,799 |
| June 30, 2019                        | 29,750,035 |
| July 31, 2019                        | 30,255,010 |
| August 31, 2019                      | 30,146,130 |
| September 30, 2019                   | 30,174,535 |
| October 31, 2019                     | 30,166,665 |
| November 30, 2019                    | 30,166,838 |
| December 31, 2019                    | 30,788,081 |
| 13-month average for rate-making     | 26,810,869 |

**Schedule Page: 204 Line No.: 46 Column: g**

Per its FERC-approved tariff, the Company uses a 13-month average of production plant in service for rate-making purposes, illustrated as follows for the current year:

| Production Plant in Service      |             |
|----------------------------------|-------------|
| December 31, 2018                | 902,358,754 |
| January 31, 2019                 | 902,430,275 |
| February 28, 2019                | 902,505,913 |
| March 31, 2019                   | 900,481,534 |
| April 30, 2019                   | 900,065,260 |
| May 31, 2019                     | 900,120,777 |
| June 30, 2019                    | 901,053,700 |
| July 31, 2019                    | 901,042,796 |
| August 31, 2019                  | 902,025,412 |
| September 30, 2019               | 908,718,154 |
| October 31, 2019                 | 912,023,262 |
| November 30, 2019                | 912,391,870 |
| December 31, 2019                | 913,149,583 |
| 13-month average for rate-making | 904,489,792 |

**Schedule Page: 204 Line No.: 58 Column: g**

Per its FERC-approved tariff, the Company uses a 13-month average of electric transmission plant in service for rate-making purposes, illustrated as follows for the current year:

|                          |                                                                                                                       |                                              |                                  |
|--------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------|----------------------------------|
| Name of Respondent       | This Report is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>2019/Q4 |
| Otter Tail Power Company |                                                                                                                       |                                              |                                  |
| FOOTNOTE DATA            |                                                                                                                       |                                              |                                  |

Electric Transmission Plant in Service

|                    |             |
|--------------------|-------------|
| December 31, 2018  | 512,909,916 |
| January 31, 2019   | 513,302,505 |
| February 28, 2019  | 631,109,770 |
| March 31, 2019     | 630,873,386 |
| April 30, 2019     | 632,312,797 |
| May 31, 2019       | 633,378,057 |
| June 30, 2019      | 634,626,810 |
| July 31, 2019      | 635,851,491 |
| August 31, 2019    | 638,861,013 |
| September 30, 2019 | 642,118,892 |
| October 31, 2019   | 642,748,413 |
| November 30, 2019  | 645,498,161 |
| December 31, 2019  | 647,896,060 |

13-month average for rate-making 618,575,944

**Schedule Page: 204 Line No.: 75 Column: g**

Per its FERC-approved tariff, the Company uses a 13-month average of distribution plant in service for rate-making purposes, illustrated as follows for the current year:

Distribution Plant in Service

|                    |             |
|--------------------|-------------|
| December 31, 2018  | 502,452,137 |
| January 31, 2019   | 503,284,961 |
| February 28, 2019  | 507,637,474 |
| March 31, 2019     | 509,362,159 |
| April 30, 2019     | 509,438,932 |
| May 31, 2019       | 511,536,884 |
| June 30, 2019      | 514,709,882 |
| July 31, 2019      | 515,392,939 |
| August 31, 2019    | 517,177,215 |
| September 30, 2019 | 518,537,109 |
| October 31, 2019   | 521,706,362 |
| November 30, 2019  | 522,973,108 |
| December 31, 2019  | 526,708,017 |

13-month average for rate-making 513,916,706

**Schedule Page: 204 Line No.: 99 Column: g**

Per its FERC-approved tariff, the Company uses a 13-month average of general plant in service for rate-making purposes, illustrated as follows for the current year:

General Plant in Service

|                   |            |
|-------------------|------------|
| December 31, 2018 | 90,623,039 |
| January 31, 2019  | 89,835,080 |
| February 28, 2019 | 89,724,135 |



|                          |                                                                                                                       |                                              |                                  |
|--------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------|----------------------------------|
| Name of Respondent       | This Report is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>2019/Q4 |
| Otter Tail Power Company |                                                                                                                       |                                              |                                  |
| FOOTNOTE DATA            |                                                                                                                       |                                              |                                  |

|                                  |            |
|----------------------------------|------------|
| March 31, 2019                   | 89,564,177 |
| April 30, 2019                   | 90,015,083 |
| May 31, 2019                     | 89,897,570 |
| June 30, 2019                    | 89,488,629 |
| July 31, 2019                    | 89,618,308 |
| August 31, 2019                  | 89,727,947 |
| September 30, 2019               | 89,684,484 |
| October 31, 2019                 | 90,058,745 |
| November 30, 2019                | 92,435,601 |
| December 31, 2019                | 94,008,363 |
| 13-month average for rate-making | 90,360,089 |

| Name of Respondent<br>Otter Tail Power Company |                                                                                  | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |                                 | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |
|------------------------------------------------|----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|---------------------------------|----------------------------------------------|-----------------------------------------|
| ELECTRIC PLANT LEASED TO OTHERS (Account 104)  |                                                                                  |                                                                                                                       |                                 |                                              |                                         |
| Line No.                                       | Name of Lessee<br>(Designate associated companies with a double asterisk)<br>(a) | Description of Property Leased<br>(b)                                                                                 | Commission Authorization<br>(c) | Expiration Date of Lease<br>(d)              | Balance at End of Year<br>(e)           |
| 1                                              | Not applicable.                                                                  |                                                                                                                       |                                 |                                              |                                         |
| 2                                              |                                                                                  |                                                                                                                       |                                 |                                              |                                         |
| 3                                              |                                                                                  |                                                                                                                       |                                 |                                              |                                         |
| 4                                              |                                                                                  |                                                                                                                       |                                 |                                              |                                         |
| 5                                              |                                                                                  |                                                                                                                       |                                 |                                              |                                         |
| 6                                              |                                                                                  |                                                                                                                       |                                 |                                              |                                         |
| 7                                              |                                                                                  |                                                                                                                       |                                 |                                              |                                         |
| 8                                              |                                                                                  |                                                                                                                       |                                 |                                              |                                         |
| 9                                              |                                                                                  |                                                                                                                       |                                 |                                              |                                         |
| 10                                             |                                                                                  |                                                                                                                       |                                 |                                              |                                         |
| 11                                             |                                                                                  |                                                                                                                       |                                 |                                              |                                         |
| 12                                             |                                                                                  |                                                                                                                       |                                 |                                              |                                         |
| 13                                             |                                                                                  |                                                                                                                       |                                 |                                              |                                         |
| 14                                             |                                                                                  |                                                                                                                       |                                 |                                              |                                         |
| 15                                             |                                                                                  |                                                                                                                       |                                 |                                              |                                         |
| 16                                             |                                                                                  |                                                                                                                       |                                 |                                              |                                         |
| 17                                             |                                                                                  |                                                                                                                       |                                 |                                              |                                         |
| 18                                             |                                                                                  |                                                                                                                       |                                 |                                              |                                         |
| 19                                             |                                                                                  |                                                                                                                       |                                 |                                              |                                         |
| 20                                             |                                                                                  |                                                                                                                       |                                 |                                              |                                         |
| 21                                             |                                                                                  |                                                                                                                       |                                 |                                              |                                         |
| 22                                             |                                                                                  |                                                                                                                       |                                 |                                              |                                         |
| 23                                             |                                                                                  |                                                                                                                       |                                 |                                              |                                         |
| 24                                             |                                                                                  |                                                                                                                       |                                 |                                              |                                         |
| 25                                             |                                                                                  |                                                                                                                       |                                 |                                              |                                         |
| 26                                             |                                                                                  |                                                                                                                       |                                 |                                              |                                         |
| 27                                             |                                                                                  |                                                                                                                       |                                 |                                              |                                         |
| 28                                             |                                                                                  |                                                                                                                       |                                 |                                              |                                         |
| 29                                             |                                                                                  |                                                                                                                       |                                 |                                              |                                         |
| 30                                             |                                                                                  |                                                                                                                       |                                 |                                              |                                         |
| 31                                             |                                                                                  |                                                                                                                       |                                 |                                              |                                         |
| 32                                             |                                                                                  |                                                                                                                       |                                 |                                              |                                         |
| 33                                             |                                                                                  |                                                                                                                       |                                 |                                              |                                         |
| 34                                             |                                                                                  |                                                                                                                       |                                 |                                              |                                         |
| 35                                             |                                                                                  |                                                                                                                       |                                 |                                              |                                         |
| 36                                             |                                                                                  |                                                                                                                       |                                 |                                              |                                         |
| 37                                             |                                                                                  |                                                                                                                       |                                 |                                              |                                         |
| 38                                             |                                                                                  |                                                                                                                       |                                 |                                              |                                         |
| 39                                             |                                                                                  |                                                                                                                       |                                 |                                              |                                         |
| 40                                             |                                                                                  |                                                                                                                       |                                 |                                              |                                         |
| 41                                             |                                                                                  |                                                                                                                       |                                 |                                              |                                         |
| 42                                             |                                                                                  |                                                                                                                       |                                 |                                              |                                         |
| 43                                             |                                                                                  |                                                                                                                       |                                 |                                              |                                         |
| 44                                             |                                                                                  |                                                                                                                       |                                 |                                              |                                         |
| 45                                             |                                                                                  |                                                                                                                       |                                 |                                              |                                         |
| 46                                             |                                                                                  |                                                                                                                       |                                 |                                              |                                         |
| 47                                             | TOTAL                                                                            |                                                                                                                       |                                 |                                              |                                         |

| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                          |                                          | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |                                                 | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|----------------------------------------------|-----------------------------------------|
| ELECTRIC PLANT HELD FOR FUTURE USE (Account 105)                                                                                                                                                                                                                                                                        |                                          |                                                                                                                       |                                                 |                                              |                                         |
| 1. Report separately each property held for future use at end of the year having an original cost of \$250,000 or more. Group other items of property held for future use.                                                                                                                                              |                                          |                                                                                                                       |                                                 |                                              |                                         |
| 2. For property having an original cost of \$250,000 or more previously used in utility operations, now held for future use, give in column (a), in addition to other required information, the date that utility use of such property was discontinued, and the date the original cost was transferred to Account 105. |                                          |                                                                                                                       |                                                 |                                              |                                         |
| Line No.                                                                                                                                                                                                                                                                                                                | Description and Location Of Property (a) | Date Originally Included in This Account (b)                                                                          | Date Expected to be used in Utility Service (c) | Balance at End of Year (d)                   |                                         |
| 1                                                                                                                                                                                                                                                                                                                       | Land and Rights:                         |                                                                                                                       |                                                 |                                              |                                         |
| 2                                                                                                                                                                                                                                                                                                                       | Various                                  |                                                                                                                       |                                                 | 29,656                                       |                                         |
| 3                                                                                                                                                                                                                                                                                                                       |                                          |                                                                                                                       |                                                 |                                              |                                         |
| 4                                                                                                                                                                                                                                                                                                                       |                                          |                                                                                                                       |                                                 |                                              |                                         |
| 5                                                                                                                                                                                                                                                                                                                       |                                          |                                                                                                                       |                                                 |                                              |                                         |
| 6                                                                                                                                                                                                                                                                                                                       |                                          |                                                                                                                       |                                                 |                                              |                                         |
| 7                                                                                                                                                                                                                                                                                                                       |                                          |                                                                                                                       |                                                 |                                              |                                         |
| 8                                                                                                                                                                                                                                                                                                                       |                                          |                                                                                                                       |                                                 |                                              |                                         |
| 9                                                                                                                                                                                                                                                                                                                       |                                          |                                                                                                                       |                                                 |                                              |                                         |
| 10                                                                                                                                                                                                                                                                                                                      |                                          |                                                                                                                       |                                                 |                                              |                                         |
| 11                                                                                                                                                                                                                                                                                                                      |                                          |                                                                                                                       |                                                 |                                              |                                         |
| 12                                                                                                                                                                                                                                                                                                                      |                                          |                                                                                                                       |                                                 |                                              |                                         |
| 13                                                                                                                                                                                                                                                                                                                      |                                          |                                                                                                                       |                                                 |                                              |                                         |
| 14                                                                                                                                                                                                                                                                                                                      |                                          |                                                                                                                       |                                                 |                                              |                                         |
| 15                                                                                                                                                                                                                                                                                                                      |                                          |                                                                                                                       |                                                 |                                              |                                         |
| 16                                                                                                                                                                                                                                                                                                                      |                                          |                                                                                                                       |                                                 |                                              |                                         |
| 17                                                                                                                                                                                                                                                                                                                      |                                          |                                                                                                                       |                                                 |                                              |                                         |
| 18                                                                                                                                                                                                                                                                                                                      |                                          |                                                                                                                       |                                                 |                                              |                                         |
| 19                                                                                                                                                                                                                                                                                                                      |                                          |                                                                                                                       |                                                 |                                              |                                         |
| 20                                                                                                                                                                                                                                                                                                                      |                                          |                                                                                                                       |                                                 |                                              |                                         |
| 21                                                                                                                                                                                                                                                                                                                      | Other Property:                          |                                                                                                                       |                                                 |                                              |                                         |
| 22                                                                                                                                                                                                                                                                                                                      | Various                                  |                                                                                                                       |                                                 |                                              |                                         |
| 23                                                                                                                                                                                                                                                                                                                      |                                          |                                                                                                                       |                                                 |                                              |                                         |
| 24                                                                                                                                                                                                                                                                                                                      |                                          |                                                                                                                       |                                                 |                                              |                                         |
| 25                                                                                                                                                                                                                                                                                                                      |                                          |                                                                                                                       |                                                 |                                              |                                         |
| 26                                                                                                                                                                                                                                                                                                                      |                                          |                                                                                                                       |                                                 |                                              |                                         |
| 27                                                                                                                                                                                                                                                                                                                      |                                          |                                                                                                                       |                                                 |                                              |                                         |
| 28                                                                                                                                                                                                                                                                                                                      |                                          |                                                                                                                       |                                                 |                                              |                                         |
| 29                                                                                                                                                                                                                                                                                                                      |                                          |                                                                                                                       |                                                 |                                              |                                         |
| 30                                                                                                                                                                                                                                                                                                                      |                                          |                                                                                                                       |                                                 |                                              |                                         |
| 31                                                                                                                                                                                                                                                                                                                      |                                          |                                                                                                                       |                                                 |                                              |                                         |
| 32                                                                                                                                                                                                                                                                                                                      |                                          |                                                                                                                       |                                                 |                                              |                                         |
| 33                                                                                                                                                                                                                                                                                                                      |                                          |                                                                                                                       |                                                 |                                              |                                         |
| 34                                                                                                                                                                                                                                                                                                                      |                                          |                                                                                                                       |                                                 |                                              |                                         |
| 35                                                                                                                                                                                                                                                                                                                      |                                          |                                                                                                                       |                                                 |                                              |                                         |
| 36                                                                                                                                                                                                                                                                                                                      |                                          |                                                                                                                       |                                                 |                                              |                                         |
| 37                                                                                                                                                                                                                                                                                                                      |                                          |                                                                                                                       |                                                 |                                              |                                         |
| 38                                                                                                                                                                                                                                                                                                                      |                                          |                                                                                                                       |                                                 |                                              |                                         |
| 39                                                                                                                                                                                                                                                                                                                      |                                          |                                                                                                                       |                                                 |                                              |                                         |
| 40                                                                                                                                                                                                                                                                                                                      |                                          |                                                                                                                       |                                                 |                                              |                                         |
| 41                                                                                                                                                                                                                                                                                                                      |                                          |                                                                                                                       |                                                 |                                              |                                         |
| 42                                                                                                                                                                                                                                                                                                                      |                                          |                                                                                                                       |                                                 |                                              |                                         |
| 43                                                                                                                                                                                                                                                                                                                      |                                          |                                                                                                                       |                                                 |                                              |                                         |
| 44                                                                                                                                                                                                                                                                                                                      |                                          |                                                                                                                       |                                                 |                                              |                                         |
| 45                                                                                                                                                                                                                                                                                                                      |                                          |                                                                                                                       |                                                 |                                              |                                         |
| 46                                                                                                                                                                                                                                                                                                                      |                                          |                                                                                                                       |                                                 |                                              |                                         |
| 47                                                                                                                                                                                                                                                                                                                      | Total                                    |                                                                                                                       |                                                 | 29,656                                       |                                         |

|                          |                                                                                                                       |                                |                       |
|--------------------------|-----------------------------------------------------------------------------------------------------------------------|--------------------------------|-----------------------|
| Name of Respondent       | This Report is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr) | Year/Period of Report |
| Otter Tail Power Company |                                                                                                                       | 12/31/2019                     | 2019/Q4               |
| FOOTNOTE DATA            |                                                                                                                       |                                |                       |

**Schedule Page: 214 Line No.: 2 Column: d**

Per its FERC-approved tariff, the Company uses a 13-month average of electric plant held for future use for rate-making purposes, illustrated as follows for the current year:

|                                  | Transmission | Distribution | Total  |
|----------------------------------|--------------|--------------|--------|
| December 31, 2018                | 9,037        | 20,619       | 29,656 |
| January 31, 2019                 | 9,037        | 20,619       | 29,656 |
| February 28, 2019                | 9,037        | 20,619       | 29,656 |
| March 31, 2019                   | 9,037        | 20,619       | 29,656 |
| April 30, 2019                   | 9,037        | 20,619       | 29,656 |
| May 31, 2019                     | 9,037        | 20,619       | 29,656 |
| June 30, 2019                    | 9,037        | 20,619       | 29,656 |
| July 31, 2019                    | 9,037        | 20,619       | 29,656 |
| August 31, 2019                  | 9,037        | 20,619       | 29,656 |
| September 30, 2019               | 9,037        | 20,619       | 29,656 |
| October 31, 2019                 | 9,037        | 20,619       | 29,656 |
| November 30, 2019                | 9,037        | 20,619       | 29,656 |
| December 31, 2019                | 9,037        | 20,619       | 29,656 |
| 13-month average for rate-making |              |              | 29,656 |

| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                   | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of <u>2019/Q4</u> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------|------------------------------------------------|
| CONSTRUCTION WORK IN PROGRESS - - ELECTRIC (Account 107)                                                                                                                                                                                                                                                                                                                                                                             |                                                                                   |                                                                                                                       |                                              |                                                |
| 1. Report below descriptions and balances at end of year of projects in process of construction (107)<br>2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstrating (see Account 107 of the Uniform System of Accounts)<br>3. Minor projects (5% of the Balance End of the Year for Account 107 or \$1,000,000, whichever is less) may be grouped. |                                                                                   |                                                                                                                       |                                              |                                                |
| Line No.                                                                                                                                                                                                                                                                                                                                                                                                                             | Description of Project<br>(a)                                                     | Construction work in progress -<br>Electric (Account 107)<br>(b)                                                      |                                              |                                                |
| 1                                                                                                                                                                                                                                                                                                                                                                                                                                    | Merricourt, ND Wind Project (105895) - Construct Generation Plant                 | 77,889,368                                                                                                            |                                              |                                                |
| 2                                                                                                                                                                                                                                                                                                                                                                                                                                    | System Wide - New NG Generation (105368) - Construct Generation Plant             | 55,387,843                                                                                                            |                                              |                                                |
| 3                                                                                                                                                                                                                                                                                                                                                                                                                                    | Lake Norde, SD - Lake Norden Transmission (106419) - Construct Transmission Plant | 6,445,310                                                                                                             |                                              |                                                |
| 4                                                                                                                                                                                                                                                                                                                                                                                                                                    | Astoria, SD - Astoria Switching Station (106132) - Construct Transmission Plant   | 4,578,264                                                                                                             |                                              |                                                |
| 5                                                                                                                                                                                                                                                                                                                                                                                                                                    | Gary, SD - Deuel Switching Station (106669) - Construct Transmission Plant        | 4,217,262                                                                                                             |                                              |                                                |
| 6                                                                                                                                                                                                                                                                                                                                                                                                                                    | Merricourt, ND - Merricourt Wind Project (106694) - Construct Generation Plant    | 3,850,819                                                                                                             |                                              |                                                |
| 7                                                                                                                                                                                                                                                                                                                                                                                                                                    | Astoria, SD - Astoria Station (106515) - Construct Generation Plant               | 2,705,892                                                                                                             |                                              |                                                |
| 8                                                                                                                                                                                                                                                                                                                                                                                                                                    | System Wide - FERC Hydro Re-Licensing (105680) - Construct Generation Plant       | 1,450,735                                                                                                             |                                              |                                                |
| 9                                                                                                                                                                                                                                                                                                                                                                                                                                    | Fergus Falls, MN - Pisgah Wall (106437) - Construct Generation Plant              | 1,232,072                                                                                                             |                                              |                                                |
| 10                                                                                                                                                                                                                                                                                                                                                                                                                                   | Total Projects under \$1,000,000                                                  | 20,081,175                                                                                                            |                                              |                                                |
| 11                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                   |                                                                                                                       |                                              |                                                |
| 12                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                   |                                                                                                                       |                                              |                                                |
| 13                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                   |                                                                                                                       |                                              |                                                |
| 14                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                   |                                                                                                                       |                                              |                                                |
| 15                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                   |                                                                                                                       |                                              |                                                |
| 16                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                   |                                                                                                                       |                                              |                                                |
| 17                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                   |                                                                                                                       |                                              |                                                |
| 18                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                   |                                                                                                                       |                                              |                                                |
| 19                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                   |                                                                                                                       |                                              |                                                |
| 20                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                   |                                                                                                                       |                                              |                                                |
| 21                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                   |                                                                                                                       |                                              |                                                |
| 22                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                   |                                                                                                                       |                                              |                                                |
| 23                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                   |                                                                                                                       |                                              |                                                |
| 24                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                   |                                                                                                                       |                                              |                                                |
| 25                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                   |                                                                                                                       |                                              |                                                |
| 26                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                   |                                                                                                                       |                                              |                                                |
| 27                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                   |                                                                                                                       |                                              |                                                |
| 28                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                   |                                                                                                                       |                                              |                                                |
| 29                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                   |                                                                                                                       |                                              |                                                |
| 30                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                   |                                                                                                                       |                                              |                                                |
| 31                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                   |                                                                                                                       |                                              |                                                |
| 32                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                   |                                                                                                                       |                                              |                                                |
| 33                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                   |                                                                                                                       |                                              |                                                |
| 34                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                   |                                                                                                                       |                                              |                                                |
| 35                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                   |                                                                                                                       |                                              |                                                |
| 36                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                   |                                                                                                                       |                                              |                                                |
| 37                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                   |                                                                                                                       |                                              |                                                |
| 38                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                   |                                                                                                                       |                                              |                                                |
| 39                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                   |                                                                                                                       |                                              |                                                |
| 40                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                   |                                                                                                                       |                                              |                                                |
| 41                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                   |                                                                                                                       |                                              |                                                |
| 42                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                   |                                                                                                                       |                                              |                                                |
| 43                                                                                                                                                                                                                                                                                                                                                                                                                                   | TOTAL                                                                             | 177,838,740                                                                                                           |                                              |                                                |

| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                   | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |                               | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|-------------------------------|----------------------------------------------|-----------------------------------------|
| ACCUMULATED PROVISION FOR DEPRECIATION OF ELECTRIC UTILITY PLANT (Account 108)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                   |                                                                                                                       |                               |                                              |                                         |
| <p>1. Explain in a footnote any important adjustments during year.</p> <p>2. Explain in a footnote any difference between the amount for book cost of plant retired, Line 11, column (c), and that reported for electric plant in service, pages 204-207, column 9d), excluding retirements of non-depreciable property.</p> <p>3. The provisions of Account 108 in the Uniform System of accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications.</p> <p>4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.</p> |                                                                   |                                                                                                                       |                               |                                              |                                         |
| <b>Section A. Balances and Changes During Year</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                   |                                                                                                                       |                               |                                              |                                         |
| Line No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Item (a)                                                          | Total (c+d+e) (b)                                                                                                     | Electric Plant in Service (c) | Electric Plant Held for Future Use (d)       | Electric Plant Leased to Others (e)     |
| 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Balance Beginning of Year                                         | 776,809,794                                                                                                           | 776,809,794                   |                                              |                                         |
| 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Depreciation Provisions for Year, Charged to                      |                                                                                                                       |                               |                                              |                                         |
| 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | (403) Depreciation Expense                                        | 54,784,299                                                                                                            | 54,784,299                    |                                              |                                         |
| 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | (403.1) Depreciation Expense for Asset Retirement Costs           | 162,958                                                                                                               | 162,958                       |                                              |                                         |
| 5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | (413) Exp. of Elec. Plt. Leas. to Others                          |                                                                                                                       |                               |                                              |                                         |
| 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Transportation Expenses-Clearing                                  | 1,925,693                                                                                                             | 1,925,693                     |                                              |                                         |
| 7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Other Clearing Accounts                                           | -27,875                                                                                                               | -27,875                       |                                              |                                         |
| 8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Other Accounts (Specify, details in footnote):                    |                                                                                                                       |                               |                                              |                                         |
| 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                   |                                                                                                                       |                               |                                              |                                         |
| 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | TOTAL Deprec. Prov for Year (Enter Total of lines 3 thru 9)       | 56,845,075                                                                                                            | 56,845,075                    |                                              |                                         |
| 11                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Net Charges for Plant Retired:                                    |                                                                                                                       |                               |                                              |                                         |
| 12                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Book Cost of Plant Retired                                        | 13,277,923                                                                                                            | 13,277,923                    |                                              |                                         |
| 13                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Cost of Removal                                                   | 2,454,904                                                                                                             | 2,454,904                     |                                              |                                         |
| 14                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Salvage (Credit)                                                  | 2,137,144                                                                                                             | 2,137,144                     |                                              |                                         |
| 15                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 12 thru 14) | 13,595,683                                                                                                            | 13,595,683                    |                                              |                                         |
| 16                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Other Debit or Cr. Items (Describe, details in footnote):         | -80,898                                                                                                               | -80,898                       |                                              |                                         |
| 17                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                   |                                                                                                                       |                               |                                              |                                         |
| 18                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Book Cost or Asset Retirement Costs Retired                       |                                                                                                                       |                               |                                              |                                         |
| 19                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Balance End of Year (Enter Totals of lines 1, 10, 15, 16, and 18) | 819,978,288                                                                                                           | 819,978,288                   |                                              |                                         |
| <b>Section B. Balances at End of Year According to Functional Classification</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                   |                                                                                                                       |                               |                                              |                                         |
| 20                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Steam Production                                                  | 275,743,960                                                                                                           | 275,743,960                   |                                              |                                         |
| 21                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Nuclear Production                                                |                                                                                                                       |                               |                                              |                                         |
| 22                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Hydraulic Production-Conventional                                 | 5,762,756                                                                                                             | 5,762,756                     |                                              |                                         |
| 23                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Hydraulic Production-Pumped Storage                               |                                                                                                                       |                               |                                              |                                         |
| 24                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Other Production                                                  | 136,086,931                                                                                                           | 136,086,931                   |                                              |                                         |
| 25                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Transmission                                                      | 137,237,655                                                                                                           | 137,237,655                   |                                              |                                         |
| 26                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Distribution                                                      | 226,706,226                                                                                                           | 226,706,226                   |                                              |                                         |
| 27                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Regional Transmission and Market Operation                        |                                                                                                                       |                               |                                              |                                         |
| 28                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | General                                                           | 38,440,760                                                                                                            | 38,440,760                    |                                              |                                         |
| 29                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | TOTAL (Enter Total of lines 20 thru 28)                           | 819,978,288                                                                                                           | 819,978,288                   |                                              |                                         |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                   |                                                                                                                       |                               |                                              |                                         |

|                          |                                                                                                                       |                                              |                                  |
|--------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------|----------------------------------|
| Name of Respondent       | This Report is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>2019/Q4 |
| Otter Tail Power Company |                                                                                                                       |                                              |                                  |
| FOOTNOTE DATA            |                                                                                                                       |                                              |                                  |

**Schedule Page: 219 Line No.: 7 Column: c**

Inventory costs cleared to construction or utility operating expense.

**Schedule Page: 219 Line No.: 16 Column: c**

The net activity during the year for construction/removal not classified.

**Schedule Page: 219 Line No.: 29 Column: c**

Per its FERC-approved tariff, the Company uses a 13-month average of accumulated depreciation of production, transmission, distribution and general plant for rate-making purposes, illustrated as follows for the current year:

|                                  | Production* | Transmission | Distribution | General Plant | Total       |
|----------------------------------|-------------|--------------|--------------|---------------|-------------|
| December 31, 2018                | 394,065,670 | 128,568,222  | 217,285,805  | 36,890,098    | 776,809,795 |
| January 31, 2019                 | 396,599,347 | 129,189,338  | 218,052,305  | 36,535,045    | 780,376,034 |
| February 28, 2019                | 399,133,130 | 129,829,313  | 218,765,570  | 36,761,753    | 784,489,766 |
| March 31, 2019                   | 399,667,684 | 130,518,292  | 219,329,776  | 36,984,932    | 786,500,684 |
| April 30, 2019                   | 401,781,003 | 131,042,533  | 220,237,441  | 37,268,973    | 790,329,950 |
| May 31, 2019                     | 404,305,965 | 131,732,947  | 220,839,403  | 37,517,644    | 794,395,958 |
| June 30, 2019                    | 405,917,168 | 132,546,500  | 221,560,900  | 37,272,133    | 797,296,701 |
| July 31, 2019                    | 408,427,881 | 133,357,518  | 222,481,178  | 37,223,363    | 801,489,940 |
| August 31, 2019                  | 410,951,311 | 134,173,405  | 223,296,767  | 37,573,271    | 805,994,754 |
| September 30, 2019               | 412,081,651 | 135,015,907  | 224,126,052  | 37,886,736    | 809,110,346 |
| October 31, 2019                 | 412,952,541 | 135,680,163  | 225,211,922  | 38,160,915    | 812,005,541 |
| November 30, 2019                | 415,517,795 | 136,466,662  | 226,098,803  | 38,505,453    | 816,588,714 |
| December 31, 2019                | 417,593,647 | 137,237,655  | 226,706,226  | 38,440,760    | 819,978,288 |
| 13-month average for rate-making | 406,076,522 | 132,719,881  | 221,845,550  | 37,463,160    | 798,105,113 |

\*Production is a total of lines 20 through 24 on page 219.



| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                  | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |                         | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019     | Year/Period of Report<br>End of 2019/Q4 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|-----------------------------------------------------------------------------------------------------------------------|-------------------------|--------------------------------------------------|-----------------------------------------|
| INVESTMENTS IN SUBSIDIARY COMPANIES (Account 123.1)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                  |                                                                                                                       |                         |                                                  |                                         |
| <p>1. Report below investments in Accounts 123.1, investments in Subsidiary Companies.</p> <p>2. Provide a subheading for each company and List there under the information called for below. Sub - TOTAL by company and give a TOTAL in columns (e),(f),(g) and (h)</p> <p>(a) Investment in Securities - List and describe each security owned. For bonds give also principal amount, date of issue, maturity and interest rate.</p> <p>(b) Investment Advances - Report separately the amounts of loans or investment advances which are subject to repayment, but which are not subject to current settlement. With respect to each advance show whether the advance is a note or open account. List each note giving date of issuance, maturity date, and specifying whether note is a renewal.</p> <p>3. Report separately the equity in undistributed subsidiary earnings since acquisition. The TOTAL in column (e) should equal the amount entered for Account 418.1.</p> |                                  |                                                                                                                       |                         |                                                  |                                         |
| Line No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Description of Investment<br>(a) | Date Acquired<br>(b)                                                                                                  | Date Of Maturity<br>(c) | Amount of Investment at Beginning of Year<br>(d) |                                         |
| 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Not applicable                   |                                                                                                                       |                         |                                                  |                                         |
| 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                  |                                                                                                                       |                         |                                                  |                                         |
| 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                  |                                                                                                                       |                         |                                                  |                                         |
| 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                  |                                                                                                                       |                         |                                                  |                                         |
| 5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                  |                                                                                                                       |                         |                                                  |                                         |
| 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                  |                                                                                                                       |                         |                                                  |                                         |
| 7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                  |                                                                                                                       |                         |                                                  |                                         |
| 8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                  |                                                                                                                       |                         |                                                  |                                         |
| 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                  |                                                                                                                       |                         |                                                  |                                         |
| 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                  |                                                                                                                       |                         |                                                  |                                         |
| 11                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                  |                                                                                                                       |                         |                                                  |                                         |
| 12                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                  |                                                                                                                       |                         |                                                  |                                         |
| 13                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                  |                                                                                                                       |                         |                                                  |                                         |
| 14                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                  |                                                                                                                       |                         |                                                  |                                         |
| 15                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                  |                                                                                                                       |                         |                                                  |                                         |
| 16                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                  |                                                                                                                       |                         |                                                  |                                         |
| 17                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                  |                                                                                                                       |                         |                                                  |                                         |
| 18                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                  |                                                                                                                       |                         |                                                  |                                         |
| 19                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                  |                                                                                                                       |                         |                                                  |                                         |
| 20                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                  |                                                                                                                       |                         |                                                  |                                         |
| 21                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                  |                                                                                                                       |                         |                                                  |                                         |
| 22                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                  |                                                                                                                       |                         |                                                  |                                         |
| 23                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                  |                                                                                                                       |                         |                                                  |                                         |
| 24                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                  |                                                                                                                       |                         |                                                  |                                         |
| 25                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                  |                                                                                                                       |                         |                                                  |                                         |
| 26                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                  |                                                                                                                       |                         |                                                  |                                         |
| 27                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                  |                                                                                                                       |                         |                                                  |                                         |
| 28                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                  |                                                                                                                       |                         |                                                  |                                         |
| 29                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                  |                                                                                                                       |                         |                                                  |                                         |
| 30                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                  |                                                                                                                       |                         |                                                  |                                         |
| 31                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                  |                                                                                                                       |                         |                                                  |                                         |
| 32                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                  |                                                                                                                       |                         |                                                  |                                         |
| 33                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                  |                                                                                                                       |                         |                                                  |                                         |
| 34                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                  |                                                                                                                       |                         |                                                  |                                         |
| 35                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                  |                                                                                                                       |                         |                                                  |                                         |
| 36                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                  |                                                                                                                       |                         |                                                  |                                         |
| 37                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                  |                                                                                                                       |                         |                                                  |                                         |
| 38                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                  |                                                                                                                       |                         |                                                  |                                         |
| 39                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                  |                                                                                                                       |                         |                                                  |                                         |
| 40                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                  |                                                                                                                       |                         |                                                  |                                         |
| 41                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                  |                                                                                                                       |                         |                                                  |                                         |
| 42                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Total Cost of Account 123.1 \$   | 0                                                                                                                     | TOTAL                   |                                                  |                                         |

| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019  | Year/Period of Report<br>End of <u>2019/Q4</u>     |             |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|----------------------------------------------------|-------------|
| INVESTMENTS IN SUBSIDIARY COMPANIES (Account 123.1) (Continued)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                       |                                               |                                                    |             |
| <p>4. For any securities, notes, or accounts that were pledged designate such securities, notes, or accounts in a footnote, and state the name of pledgee and purpose of the pledge.</p> <p>5. If Commission approval was required for any advance made or security acquired, designate such fact in a footnote and give name of Commission, date of authorization, and case or docket number.</p> <p>6. Report column (f) interest and dividend revenues from investments, including such revenues from securities disposed of during the year.</p> <p>7. In column (h) report for each investment disposed of during the year, the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if difference from cost) and the selling price thereof, not including interest adjustment includible in column (f).</p> <p>8. Report on Line 42, column (a) the TOTAL cost of Account 123.1</p> |                                                                                                                       |                                               |                                                    |             |
| Equity in Subsidiary<br>Earnings of Year<br>(e)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Revenues for Year<br>(f)                                                                                              | Amount of Investment at<br>End of Year<br>(g) | Gain or Loss from Investment<br>Disposed of<br>(h) | Line<br>No. |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                       |                                               |                                                    | 1           |
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| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                        | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |                               | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019              | Year/Period of Report<br>End of <u>2019/Q4</u> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|-------------------------------|-----------------------------------------------------------|------------------------------------------------|
| <b>MATERIALS AND SUPPLIES</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                        |                                                                                                                       |                               |                                                           |                                                |
| <p>1. For Account 154, report the amount of plant materials and operating supplies under the primary functional classifications as indicated in column (a); estimates of amounts by function are acceptable. In column (d), designate the department or departments which use the class of material.</p> <p>2. Give an explanation of important inventory adjustments during the year (in a footnote) showing general classes of material and supplies and the various accounts (operating expenses, clearing accounts, plant, etc.) affected debited or credited. Show separately debit or credits to stores expense clearing, if applicable.</p> |                                                                        |                                                                                                                       |                               |                                                           |                                                |
| Line No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Account<br>(a)                                                         | Balance<br>Beginning of Year<br>(b)                                                                                   | Balance<br>End of Year<br>(c) | Department or<br>Departments which<br>Use Material<br>(d) |                                                |
| 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Fuel Stock (Account 151)                                               | 8,298,406                                                                                                             | 9,408,594                     | Production                                                |                                                |
| 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Fuel Stock Expenses Undistributed (Account 152)                        |                                                                                                                       |                               |                                                           |                                                |
| 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Residuals and Extracted Products (Account 153)                         |                                                                                                                       |                               |                                                           |                                                |
| 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Plant Materials and Operating Supplies (Account 154)                   |                                                                                                                       |                               |                                                           |                                                |
| 5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Assigned to - Construction (Estimated)                                 |                                                                                                                       |                               |                                                           |                                                |
| 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Assigned to - Operations and Maintenance                               |                                                                                                                       |                               |                                                           |                                                |
| 7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Production Plant (Estimated)                                           | 6,594,206                                                                                                             | 6,959,450                     | Production                                                |                                                |
| 8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Transmission Plant (Estimated)                                         | 5,843,038                                                                                                             | 6,245,859                     | Various                                                   |                                                |
| 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Distribution Plant (Estimated)                                         | 8,724,485                                                                                                             | 9,210,167                     | Various                                                   |                                                |
| 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Regional Transmission and Market Operation Plant (Estimated)           |                                                                                                                       |                               |                                                           |                                                |
| 11                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Assigned to - Other (provide details in footnote)                      | 295,425                                                                                                               | 246,374                       | Fleet Service                                             |                                                |
| 12                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | TOTAL Account 154 (Enter Total of lines 5 thru 11)                     | 21,457,154                                                                                                            | 22,661,850                    |                                                           |                                                |
| 13                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Merchandise (Account 155)                                              |                                                                                                                       |                               |                                                           |                                                |
| 14                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Other Materials and Supplies (Account 156)                             |                                                                                                                       |                               |                                                           |                                                |
| 15                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Nuclear Materials Held for Sale (Account 157) (Not applic to Gas Util) |                                                                                                                       |                               |                                                           |                                                |
| 16                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Stores Expense Undistributed (Account 163)                             |                                                                                                                       |                               |                                                           |                                                |
| 17                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                        |                                                                                                                       |                               |                                                           |                                                |
| 18                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                        |                                                                                                                       |                               |                                                           |                                                |
| 19                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                        |                                                                                                                       |                               |                                                           |                                                |
| 20                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | TOTAL Materials and Supplies (Per Balance Sheet)                       | 29,755,560                                                                                                            | 32,070,444                    |                                                           |                                                |

|                          |                                                                                                                       |                                              |                                  |
|--------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------|----------------------------------|
| Name of Respondent       | This Report is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>2019/Q4 |
| Otter Tail Power Company |                                                                                                                       |                                              |                                  |
| FOOTNOTE DATA            |                                                                                                                       |                                              |                                  |

**Schedule Page: 227 Line No.: 7 Column: c**

Per its FERC-approved tariff, the Company uses a 13-month average of materials and supplies for rate-making purposes, illustrated as follows for the current year:

|                                  | Production Plant |
|----------------------------------|------------------|
| December 31, 2018                | 6,594,206        |
| January 31, 2019                 | 6,710,722        |
| February 28, 2019                | 6,880,136        |
| March 31, 2019                   | 6,906,408        |
| April 30, 2019                   | 6,889,006        |
| May 31, 2019                     | 6,988,194        |
| June 30, 2019                    | 7,035,437        |
| July 31, 2019                    | 6,989,884        |
| August 31, 2019                  | 6,923,625        |
| September 30, 2019               | 6,895,967        |
| October 31, 2019                 | 6,969,086        |
| November 30, 2019                | 6,985,985        |
| December 31, 2019                | 6,959,450        |
| 13-month average for rate-making | 6,902,162        |

**Schedule Page: 227 Line No.: 8 Column: c**

Per its FERC-approved tariff, the Company uses a 13-month average of materials and supplies for rate-making purposes, illustrated as follows for the current year:

|                                  | Transmission Plant |
|----------------------------------|--------------------|
| December 31, 2018                | 5,843,038          |
| January 31, 2019                 | 6,048,346          |
| February 28, 2019                | 6,197,981          |
| March 31, 2019                   | 6,315,408          |
| April 30, 2019                   | 6,113,868          |
| May 31, 2019                     | 5,956,400          |
| June 30, 2019                    | 6,263,614          |
| July 31, 2019                    | 6,269,880          |
| August 31, 2019                  | 6,149,639          |
| September 30, 2019               | 6,203,852          |
| October 31, 2019                 | 6,211,081          |
| November 30, 2019                | 6,362,013          |
| December 31, 2019                | 6,245,859          |
| 13-month average for rate-making | 6,167,768          |

|                          |                                                                                                                       |                                              |                                  |
|--------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------|----------------------------------|
| Name of Respondent       | This Report is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>2019/Q4 |
| Otter Tail Power Company |                                                                                                                       |                                              |                                  |
| FOOTNOTE DATA            |                                                                                                                       |                                              |                                  |

**Schedule Page: 227 Line No.: 9 Column: c**

Per its FERC-approved tariff, the Company uses a 13-month average of materials and supplies for rate-making purposes, illustrated as follows for the current year:

|                                  | Distribution Plant |
|----------------------------------|--------------------|
| December 31, 2018                | 8,724,485          |
| January 31, 2019                 | 9,001,841          |
| February 28, 2019                | 9,456,556          |
| March 31, 2019                   | 9,776,538          |
| April 30, 2019                   | 9,251,008          |
| May 31, 2019                     | 9,319,808          |
| June 30, 2019                    | 8,972,420          |
| July 31, 2019                    | 9,129,955          |
| August 31, 2019                  | 9,659,780          |
| September 30, 2019               | 9,227,160          |
| October 31, 2019                 | 9,065,933          |
| November 30, 2019                | 9,542,823          |
| December 31, 2019                | 9,210,167          |
| 13-month average for rate-making | 9,268,344          |

**Schedule Page: 227 Line No.: 11 Column: c**

Per its FERC-approved tariff, the Company uses a 13-month average of materials and supplies for rate-making purposes, illustrated as follows for the current year:

|                                  | Assigned to - Other |
|----------------------------------|---------------------|
| December 31, 2018                | 295,425             |
| January 31, 2019                 | 288,598             |
| February 28, 2019                | 277,348             |
| March 31, 2019                   | 275,149             |
| April 30, 2019                   | 256,496             |
| May 31, 2019                     | 252,455             |
| June 30, 2019                    | 260,785             |
| July 31, 2019                    | 252,669             |
| August 31, 2019                  | 250,709             |
| September 30, 2019               | 241,089             |
| October 31, 2019                 | 235,212             |
| November 30, 2019                | 247,734             |
| December 31, 2019                | 246,374             |
| 13-month average for rate-making | 260,003             |

| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                    | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |             | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|-------------|----------------------------------------------|-----------------------------------------|
| Allowances (Accounts 158.1 and 158.2)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                    |                                                                                                                       |             |                                              |                                         |
| <p>1. Report below the particulars (details) called for concerning allowances.</p> <p>2. Report all acquisitions of allowances at cost.</p> <p>3. Report allowances in accordance with a weighted average cost allocation method and other accounting as prescribed by General Instruction No. 21 in the Uniform System of Accounts.</p> <p>4. Report the allowances transactions by the period they are first eligible for use: the current year's allowances in columns (b)-(c), allowances for the three succeeding years in columns (d)-(i), starting with the following year, and allowances for the remaining succeeding years in columns (j)-(k).</p> <p>5. Report on line 4 the Environmental Protection Agency (EPA) issued allowances. Report withheld portions Lines 36-40.</p> |                                                    |                                                                                                                       |             |                                              |                                         |
| Line No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | SO2 Allowances Inventory<br>(Account 158.1)<br>(a) | Current Year                                                                                                          |             | 2020                                         |                                         |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                    | No.<br>(b)                                                                                                            | Amt.<br>(c) | No.<br>(d)                                   | Amt.<br>(e)                             |
| 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Balance-Beginning of Year                          | 67,270.00                                                                                                             | 2,497       | 15,310.00                                    |                                         |
| 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                    |                                                                                                                       |             |                                              |                                         |
| 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Acquired During Year:                              |                                                                                                                       |             |                                              |                                         |
| 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Issued (Less Withheld Allow)                       |                                                                                                                       |             |                                              |                                         |
| 5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Returned by EPA                                    | 26.00                                                                                                                 |             |                                              |                                         |
| 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                    |                                                                                                                       |             |                                              |                                         |
| 7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                    |                                                                                                                       |             |                                              |                                         |
| 8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Purchases/Transfers:                               |                                                                                                                       |             |                                              |                                         |
| 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                    |                                                                                                                       |             |                                              |                                         |
| 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                    |                                                                                                                       |             |                                              |                                         |
| 11                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Renewable Energy Credits                           |                                                                                                                       | 164,095     |                                              |                                         |
| 12                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                    |                                                                                                                       |             |                                              |                                         |
| 13                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                    |                                                                                                                       |             |                                              |                                         |
| 14                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                    |                                                                                                                       |             |                                              |                                         |
| 15                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Total                                              |                                                                                                                       | 164,095     |                                              |                                         |
| 16                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                    |                                                                                                                       |             |                                              |                                         |
| 17                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Relinquished During Year:                          |                                                                                                                       |             |                                              |                                         |
| 18                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Charges to Account 509                             | 6,463.00                                                                                                              | 1,976       |                                              |                                         |
| 19                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Other:                                             |                                                                                                                       |             |                                              |                                         |
| 20                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                    |                                                                                                                       |             |                                              |                                         |
| 21                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Cost of Sales/Transfers:                           |                                                                                                                       |             |                                              |                                         |
| 22                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                    |                                                                                                                       |             |                                              |                                         |
| 23                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                    |                                                                                                                       |             |                                              |                                         |
| 24                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                    |                                                                                                                       |             |                                              |                                         |
| 25                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                    |                                                                                                                       |             |                                              |                                         |
| 26                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                    |                                                                                                                       |             |                                              |                                         |
| 27                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                    |                                                                                                                       |             |                                              |                                         |
| 28                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Total                                              |                                                                                                                       |             |                                              |                                         |
| 29                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Balance-End of Year                                | 60,833.00                                                                                                             | 164,616     | 15,310.00                                    |                                         |
| 30                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                    |                                                                                                                       |             |                                              |                                         |
| 31                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Sales:                                             |                                                                                                                       |             |                                              |                                         |
| 32                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Net Sales Proceeds(Assoc. Co.)                     |                                                                                                                       |             |                                              |                                         |
| 33                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Net Sales Proceeds (Other)                         |                                                                                                                       |             |                                              |                                         |
| 34                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Gains                                              |                                                                                                                       |             |                                              |                                         |
| 35                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Losses                                             |                                                                                                                       |             |                                              |                                         |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Allowances Withheld (Acct 158.2)                   |                                                                                                                       |             |                                              |                                         |
| 36                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Balance-Beginning of Year                          | 202.96                                                                                                                |             | 202.96                                       |                                         |
| 37                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Add: Withheld by EPA                               |                                                                                                                       |             |                                              |                                         |
| 38                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Deduct: Returned by EPA                            |                                                                                                                       |             |                                              |                                         |
| 39                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Cost of Sales                                      | 202.96                                                                                                                |             |                                              |                                         |
| 40                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Balance-End of Year                                |                                                                                                                       |             | 202.96                                       |                                         |
| 41                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                    |                                                                                                                       |             |                                              |                                         |
| 42                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Sales:                                             |                                                                                                                       |             |                                              |                                         |
| 43                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Net Sales Proceeds (Assoc. Co.)                    |                                                                                                                       |             |                                              |                                         |
| 44                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Net Sales Proceeds (Other)                         | 202.96                                                                                                                | 14          |                                              |                                         |
| 45                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Gains                                              | 202.96                                                                                                                | 14          |                                              |                                         |
| 46                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Losses                                             |                                                                                                                       |             |                                              |                                         |

| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |          | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |          | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 |          | Year/Period of Report<br>End of 2019/Q4 |          |          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|-----------------------------------------------------------------------------------------------------------------------|----------|----------------------------------------------|----------|-----------------------------------------|----------|----------|
| Allowances (Accounts 158.1 and 158.2) (Continued)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |          |                                                                                                                       |          |                                              |          |                                         |          |          |
| 6. Report on Lines 5 allowances returned by the EPA. Report on Line 39 the EPA's sales of the withheld allowances. Report on Lines 43-46 the net sales proceeds and gains/losses resulting from the EPA's sale or auction of the withheld allowances.<br>7. Report on Lines 8-14 the names of vendors/transferrors of allowances acquire and identify associated companies (See "associated company" under "Definitions" in the Uniform System of Accounts).<br>8. Report on Lines 22 - 27 the name of purchasers/ transferees of allowances disposed of an identify associated companies.<br>9. Report the net costs and benefits of hedging transactions on a separate line under purchases/transfers and sales/transfers.<br>10. Report on Lines 32-35 and 43-46 the net sales proceeds and gains or losses from allowance sales. |          |                                                                                                                       |          |                                              |          |                                         |          |          |
| 2021                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |          | 2022                                                                                                                  |          | Future Years                                 |          | Totals                                  |          | Line No. |
| No. (f)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Amt. (g) | No. (h)                                                                                                               | Amt. (i) | No. (j)                                      | Amt. (k) | No. (l)                                 | Amt. (m) |          |
| 15,310.00                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |          | 15,310.00                                                                                                             |          | 365,404.00                                   |          | 478,604.00                              | 2,497    | 1        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |          |                                                                                                                       |          |                                              |          |                                         |          | 2        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |          |                                                                                                                       |          |                                              |          |                                         |          | 3        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |          |                                                                                                                       |          | 15,310.00                                    |          | 15,310.00                               |          | 4        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |          |                                                                                                                       |          |                                              |          | 26.00                                   |          | 5        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |          |                                                                                                                       |          |                                              |          |                                         |          | 6        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |          |                                                                                                                       |          |                                              |          |                                         |          | 7        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |          |                                                                                                                       |          |                                              |          |                                         |          | 8        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |          |                                                                                                                       |          |                                              |          |                                         |          | 9        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |          |                                                                                                                       |          |                                              |          |                                         |          | 10       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |          |                                                                                                                       |          |                                              |          |                                         | 164,095  | 11       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |          |                                                                                                                       |          |                                              |          |                                         |          | 12       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |          |                                                                                                                       |          |                                              |          |                                         |          | 13       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |          |                                                                                                                       |          |                                              |          |                                         |          | 14       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |          |                                                                                                                       |          |                                              |          |                                         | 164,095  | 15       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |          |                                                                                                                       |          |                                              |          |                                         |          | 16       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |          |                                                                                                                       |          |                                              |          |                                         |          | 17       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |          |                                                                                                                       |          |                                              |          | 6,463.00                                | 1,976    | 18       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |          |                                                                                                                       |          |                                              |          |                                         |          | 19       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |          |                                                                                                                       |          |                                              |          |                                         |          | 20       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |          |                                                                                                                       |          |                                              |          |                                         |          | 21       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |          |                                                                                                                       |          |                                              |          |                                         |          | 22       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |          |                                                                                                                       |          |                                              |          |                                         |          | 23       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |          |                                                                                                                       |          |                                              |          |                                         |          | 24       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |          |                                                                                                                       |          |                                              |          |                                         |          | 25       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |          |                                                                                                                       |          |                                              |          |                                         |          | 26       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |          |                                                                                                                       |          |                                              |          |                                         |          | 27       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |          |                                                                                                                       |          |                                              |          |                                         |          | 28       |
| 15,310.00                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |          | 15,310.00                                                                                                             |          | 380,714.00                                   |          | 487,477.00                              | 164,616  | 29       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |          |                                                                                                                       |          |                                              |          |                                         |          | 30       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |          |                                                                                                                       |          |                                              |          |                                         |          | 31       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |          |                                                                                                                       |          |                                              |          |                                         |          | 32       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |          |                                                                                                                       |          |                                              |          |                                         |          | 33       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |          |                                                                                                                       |          |                                              |          |                                         |          | 34       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |          |                                                                                                                       |          |                                              |          |                                         |          | 35       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |          |                                                                                                                       |          |                                              |          |                                         |          |          |
| 202.96                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |          | 202.96                                                                                                                |          | 9,945.16                                     |          | 10,757.00                               |          | 36       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |          |                                                                                                                       |          | 405.93                                       |          | 405.93                                  |          | 37       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |          |                                                                                                                       |          |                                              |          |                                         |          | 38       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |          |                                                                                                                       |          | 202.96                                       |          | 405.92                                  |          | 39       |
| 202.96                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |          | 202.96                                                                                                                |          | 10,148.13                                    |          | 10,757.01                               |          | 40       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |          |                                                                                                                       |          |                                              |          |                                         |          | 41       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |          |                                                                                                                       |          |                                              |          |                                         |          | 42       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |          |                                                                                                                       |          |                                              |          |                                         |          | 43       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |          |                                                                                                                       |          | 202.96                                       | 2        | 405.92                                  | 16       | 44       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |          |                                                                                                                       |          | 202.96                                       | 2        | 405.92                                  | 16       | 45       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |          |                                                                                                                       |          |                                              |          |                                         |          | 46       |



|                                                |                                                                                                                       |                                              |                                  |
|------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------|----------------------------------|
| Name of Respondent<br>Otter Tail Power Company | This Report is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>2019/Q4 |
| FOOTNOTE DATA                                  |                                                                                                                       |                                              |                                  |

**Schedule Page: 228 Line No.: 1 Column: b**

Includes 1, 256 of initial allocations from EPA and 459 of rollover allowances for Cross State Air Pollution Rule.

**Schedule Page: 228 Line No.: 4 Column: j**

Includes 1,256 of initial allocations from EPA for Cross State Air Pollution Rule.

**Schedule Page: 228 Line No.: 18 Column: b**

Includes 1, 138 of emission charges for the Cross State Air Pollution Rule.

**Schedule Page: 228 Line No.: 29 Column: m**

Renewable Energy Credits are held in the Allowance inventory account (158.1) for future use.

|                                         |              |
|-----------------------------------------|--------------|
| Hoot Lake Plant Allowance               | 521          |
| Solar REC Emission Allowance Inventory  | 162,085      |
| Co-gen REC Emission Allowance Inventory | <u>2,010</u> |
|                                         | 164,616      |

| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                    | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |             | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|-------------|----------------------------------------------|-----------------------------------------|
| Allowances (Accounts 158.1 and 158.2)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                    |                                                                                                                       |             |                                              |                                         |
| <p>1. Report below the particulars (details) called for concerning allowances.</p> <p>2. Report all acquisitions of allowances at cost.</p> <p>3. Report allowances in accordance with a weighted average cost allocation method and other accounting as prescribed by General Instruction No. 21 in the Uniform System of Accounts.</p> <p>4. Report the allowances transactions by the period they are first eligible for use: the current year's allowances in columns (b)-(c), allowances for the three succeeding years in columns (d)-(i), starting with the following year, and allowances for the remaining succeeding years in columns (j)-(k).</p> <p>5. Report on line 4 the Environmental Protection Agency (EPA) issued allowances. Report withheld portions Lines 36-40.</p> |                                                    |                                                                                                                       |             |                                              |                                         |
| Line No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | NOx Allowances Inventory<br>(Account 158.1)<br>(a) | Current Year                                                                                                          |             | 2020                                         |                                         |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                    | No.<br>(b)                                                                                                            | Amt.<br>(c) | No.<br>(d)                                   | Amt.<br>(e)                             |
| 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Balance-Beginning of Year                          | 2,436.00                                                                                                              |             | 876.00                                       |                                         |
| 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                    |                                                                                                                       |             |                                              |                                         |
| 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Acquired During Year:                              |                                                                                                                       |             |                                              |                                         |
| 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Issued (Less Withheld Allow)                       |                                                                                                                       |             |                                              |                                         |
| 5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Returned by EPA                                    | 18.00                                                                                                                 |             |                                              |                                         |
| 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                    |                                                                                                                       |             |                                              |                                         |
| 7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                    |                                                                                                                       |             |                                              |                                         |
| 8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Purchases/Transfers:                               |                                                                                                                       |             |                                              |                                         |
| 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                    |                                                                                                                       |             |                                              |                                         |
| 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                    |                                                                                                                       |             |                                              |                                         |
| 11                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                    |                                                                                                                       |             |                                              |                                         |
| 12                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                    |                                                                                                                       |             |                                              |                                         |
| 13                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                    |                                                                                                                       |             |                                              |                                         |
| 14                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                    |                                                                                                                       |             |                                              |                                         |
| 15                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Total                                              |                                                                                                                       |             |                                              |                                         |
| 16                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                    |                                                                                                                       |             |                                              |                                         |
| 17                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Relinquished During Year:                          |                                                                                                                       |             |                                              |                                         |
| 18                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Charges to Account 509                             | 521.00                                                                                                                |             |                                              |                                         |
| 19                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Other:                                             |                                                                                                                       |             |                                              |                                         |
| 20                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                    |                                                                                                                       |             |                                              |                                         |
| 21                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Cost of Sales/Transfers:                           |                                                                                                                       |             |                                              |                                         |
| 22                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                    |                                                                                                                       |             |                                              |                                         |
| 23                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                    |                                                                                                                       |             |                                              |                                         |
| 24                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                    |                                                                                                                       |             |                                              |                                         |
| 25                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                    |                                                                                                                       |             |                                              |                                         |
| 26                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                    |                                                                                                                       |             |                                              |                                         |
| 27                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                    |                                                                                                                       |             |                                              |                                         |
| 28                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Total                                              |                                                                                                                       |             |                                              |                                         |
| 29                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Balance-End of Year                                | 1,933.00                                                                                                              |             | 876.00                                       |                                         |
| 30                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                    |                                                                                                                       |             |                                              |                                         |
| 31                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Sales:                                             |                                                                                                                       |             |                                              |                                         |
| 32                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Net Sales Proceeds(Assoc. Co.)                     |                                                                                                                       |             |                                              |                                         |
| 33                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Net Sales Proceeds (Other)                         |                                                                                                                       |             |                                              |                                         |
| 34                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Gains                                              |                                                                                                                       |             |                                              |                                         |
| 35                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Losses                                             |                                                                                                                       |             |                                              |                                         |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Allowances Withheld (Acct 158.2)                   |                                                                                                                       |             |                                              |                                         |
| 36                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Balance-Beginning of Year                          |                                                                                                                       |             |                                              |                                         |
| 37                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Add: Withheld by EPA                               |                                                                                                                       |             |                                              |                                         |
| 38                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Deduct: Returned by EPA                            |                                                                                                                       |             |                                              |                                         |
| 39                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Cost of Sales                                      |                                                                                                                       |             |                                              |                                         |
| 40                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Balance-End of Year                                |                                                                                                                       |             |                                              |                                         |
| 41                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                    |                                                                                                                       |             |                                              |                                         |
| 42                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Sales:                                             |                                                                                                                       |             |                                              |                                         |
| 43                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Net Sales Proceeds (Assoc. Co.)                    |                                                                                                                       |             |                                              |                                         |
| 44                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Net Sales Proceeds (Other)                         |                                                                                                                       |             |                                              |                                         |
| 45                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Gains                                              |                                                                                                                       |             |                                              |                                         |
| 46                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Losses                                             |                                                                                                                       |             |                                              |                                         |

| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |          | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |          | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 |          | Year/Period of Report<br>End of 2019/Q4 |          |          |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|-----------------------------------------------------------------------------------------------------------------------|----------|----------------------------------------------|----------|-----------------------------------------|----------|----------|
| Allowances (Accounts 158.1 and 158.2) (Continued)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |          |                                                                                                                       |          |                                              |          |                                         |          |          |
| 6. Report on Lines 5 allowances returned by the EPA. Report on Line 39 the EPA's sales of the withheld allowances. Report on Lines 43-46 the net sales proceeds and gains/losses resulting from the EPA's sale or auction of the withheld allowances.<br>7. Report on Lines 8-14 the names of vendors/transferees of allowances acquire and identify associated companies (See "associated company" under "Definitions" in the Uniform System of Accounts).<br>8. Report on Lines 22 - 27 the name of purchasers/ transferees of allowances disposed of an identify associated companies.<br>9. Report the net costs and benefits of hedging transactions on a separate line under purchases/transfers and sales/transfers.<br>10. Report on Lines 32-35 and 43-46 the net sales proceeds and gains or losses from allowance sales. |          |                                                                                                                       |          |                                              |          |                                         |          |          |
| 2021                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |          | 2022                                                                                                                  |          | Future Years                                 |          | Totals                                  |          | Line No. |
| No. (f)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Amt. (g) | No. (h)                                                                                                               | Amt. (i) | No. (j)                                      | Amt. (k) | No. (l)                                 | Amt. (m) |          |
| 876.00                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |          | 876.00                                                                                                                |          |                                              |          | 5,064.00                                |          | 1        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |          |                                                                                                                       |          |                                              |          |                                         |          | 2        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |          |                                                                                                                       |          |                                              |          |                                         |          | 3        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |          |                                                                                                                       |          | 876.00                                       |          | 876.00                                  |          | 4        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |          |                                                                                                                       |          |                                              |          | 18.00                                   |          | 5        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |          |                                                                                                                       |          |                                              |          |                                         |          | 6        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |          |                                                                                                                       |          |                                              |          |                                         |          | 7        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |          |                                                                                                                       |          |                                              |          |                                         |          | 8        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |          |                                                                                                                       |          |                                              |          |                                         |          | 9        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |          |                                                                                                                       |          |                                              |          |                                         |          | 10       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |          |                                                                                                                       |          |                                              |          |                                         |          | 11       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |          |                                                                                                                       |          |                                              |          |                                         |          | 12       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |          |                                                                                                                       |          |                                              |          |                                         |          | 13       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |          |                                                                                                                       |          |                                              |          |                                         |          | 14       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |          |                                                                                                                       |          |                                              |          |                                         |          | 15       |
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|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |          |                                                                                                                       |          |                                              |          |                                         |          | 17       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |          |                                                                                                                       |          |                                              |          | 521.00                                  |          | 18       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |          |                                                                                                                       |          |                                              |          |                                         |          | 19       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |          |                                                                                                                       |          |                                              |          |                                         |          | 20       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |          |                                                                                                                       |          |                                              |          |                                         |          | 21       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |          |                                                                                                                       |          |                                              |          |                                         |          | 22       |
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|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |          |                                                                                                                       |          |                                              |          |                                         |          | 24       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |          |                                                                                                                       |          |                                              |          |                                         |          | 25       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |          |                                                                                                                       |          |                                              |          |                                         |          | 26       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |          |                                                                                                                       |          |                                              |          |                                         |          | 27       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |          |                                                                                                                       |          |                                              |          |                                         |          | 28       |
| 876.00                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |          | 876.00                                                                                                                |          | 876.00                                       |          | 5,437.00                                |          | 29       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |          |                                                                                                                       |          |                                              |          |                                         |          | 30       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |          |                                                                                                                       |          |                                              |          |                                         |          | 31       |
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|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |          |                                                                                                                       |          |                                              |          |                                         |          | 34       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |          |                                                                                                                       |          |                                              |          |                                         |          | 35       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |          |                                                                                                                       |          |                                              |          |                                         |          | 36       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |          |                                                                                                                       |          |                                              |          |                                         |          | 37       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |          |                                                                                                                       |          |                                              |          |                                         |          | 38       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |          |                                                                                                                       |          |                                              |          |                                         |          | 39       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |          |                                                                                                                       |          |                                              |          |                                         |          | 40       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |          |                                                                                                                       |          |                                              |          |                                         |          | 41       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |          |                                                                                                                       |          |                                              |          |                                         |          | 42       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |          |                                                                                                                       |          |                                              |          |                                         |          | 43       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |          |                                                                                                                       |          |                                              |          |                                         |          | 44       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |          |                                                                                                                       |          |                                              |          |                                         |          | 45       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |          |                                                                                                                       |          |                                              |          |                                         |          | 46       |

|                          |                                                                                                                       |                                              |                                  |
|--------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------|----------------------------------|
| Name of Respondent       | This Report is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>2019/Q4 |
| Otter Tail Power Company |                                                                                                                       |                                              |                                  |
| FOOTNOTE DATA            |                                                                                                                       |                                              |                                  |

**Schedule Page: 229 Line No.: 1 Column: b**

Includes 876 of initial allocations from EPA and 1,560 rollover allowances for Cross State Air Pollution Rule.

**Schedule Page: 229 Line No.: 4 Column: j**

Includes 876 of initial allocations from EPA for Cross State Air Pollution Rule.

| Name of Respondent<br>Otter Tail Power Company |                                                                                                                                                                               | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |                                      | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 |               | Year/Period of Report<br>End of 2019/Q4 |  |
|------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|--------------------------------------|----------------------------------------------|---------------|-----------------------------------------|--|
| EXTRAORDINARY PROPERTY LOSSES (Account 182.1)  |                                                                                                                                                                               |                                                                                                                       |                                      |                                              |               |                                         |  |
| Line No.                                       | Description of Extraordinary Loss<br>[Include in the description the date of Commission Authorization to use Acc 182.1 and period of amortization (mo, yr to mo, yr).]<br>(a) | Total Amount of Loss<br>(b)                                                                                           | Losses Recognised During Year<br>(c) | WRITTEN OFF DURING YEAR                      |               | Balance at End of Year<br>(f)           |  |
|                                                |                                                                                                                                                                               |                                                                                                                       |                                      | Account Charged<br>(d)                       | Amount<br>(e) |                                         |  |
| 1                                              | Not applicable.                                                                                                                                                               |                                                                                                                       |                                      |                                              |               |                                         |  |
| 2                                              |                                                                                                                                                                               |                                                                                                                       |                                      |                                              |               |                                         |  |
| 3                                              |                                                                                                                                                                               |                                                                                                                       |                                      |                                              |               |                                         |  |
| 4                                              |                                                                                                                                                                               |                                                                                                                       |                                      |                                              |               |                                         |  |
| 5                                              |                                                                                                                                                                               |                                                                                                                       |                                      |                                              |               |                                         |  |
| 6                                              |                                                                                                                                                                               |                                                                                                                       |                                      |                                              |               |                                         |  |
| 7                                              |                                                                                                                                                                               |                                                                                                                       |                                      |                                              |               |                                         |  |
| 8                                              |                                                                                                                                                                               |                                                                                                                       |                                      |                                              |               |                                         |  |
| 9                                              |                                                                                                                                                                               |                                                                                                                       |                                      |                                              |               |                                         |  |
| 10                                             |                                                                                                                                                                               |                                                                                                                       |                                      |                                              |               |                                         |  |
| 11                                             |                                                                                                                                                                               |                                                                                                                       |                                      |                                              |               |                                         |  |
| 12                                             |                                                                                                                                                                               |                                                                                                                       |                                      |                                              |               |                                         |  |
| 13                                             |                                                                                                                                                                               |                                                                                                                       |                                      |                                              |               |                                         |  |
| 14                                             |                                                                                                                                                                               |                                                                                                                       |                                      |                                              |               |                                         |  |
| 15                                             |                                                                                                                                                                               |                                                                                                                       |                                      |                                              |               |                                         |  |
| 16                                             |                                                                                                                                                                               |                                                                                                                       |                                      |                                              |               |                                         |  |
| 17                                             |                                                                                                                                                                               |                                                                                                                       |                                      |                                              |               |                                         |  |
| 18                                             |                                                                                                                                                                               |                                                                                                                       |                                      |                                              |               |                                         |  |
| 19                                             |                                                                                                                                                                               |                                                                                                                       |                                      |                                              |               |                                         |  |
| 20                                             | TOTAL                                                                                                                                                                         |                                                                                                                       |                                      |                                              |               |                                         |  |

| Name of Respondent<br>Otter Tail Power Company       |                                                                                                                                                                                                               | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |                                     | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 |               | Year/Period of Report<br>End of 2019/Q4 |  |
|------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|-------------------------------------|----------------------------------------------|---------------|-----------------------------------------|--|
| UNRECOVERED PLANT AND REGULATORY STUDY COSTS (182.2) |                                                                                                                                                                                                               |                                                                                                                       |                                     |                                              |               |                                         |  |
| Line No.                                             | Description of Unrecovered Plant and Regulatory Study Costs [Include in the description of costs, the date of Commission Authorization to use Acc 182.2 and period of amortization (mo, yr to mo, yr)]<br>(a) | Total Amount of Charges<br>(b)                                                                                        | Costs Recognised During Year<br>(c) | WRITTEN OFF DURING YEAR                      |               | Balance at End of Year<br>(f)           |  |
|                                                      |                                                                                                                                                                                                               |                                                                                                                       |                                     | Account Charged<br>(d)                       | Amount<br>(e) |                                         |  |
| 21                                                   | BSII cancelled project - MN                                                                                                                                                                                   | 1,628,605                                                                                                             |                                     |                                              | 688,955       | 939,650                                 |  |
| 22                                                   | -Transmission                                                                                                                                                                                                 |                                                                                                                       |                                     |                                              |               |                                         |  |
| 23                                                   | MPUC order issued 04-25-2011                                                                                                                                                                                  |                                                                                                                       |                                     |                                              |               |                                         |  |
| 24                                                   | May 2013 - March 2021                                                                                                                                                                                         |                                                                                                                       |                                     |                                              |               |                                         |  |
| 25                                                   |                                                                                                                                                                                                               |                                                                                                                       |                                     |                                              |               |                                         |  |
| 26                                                   | BSII cancelled project - SD                                                                                                                                                                                   | 441,982                                                                                                               |                                     | 407                                          | 45,366        | 396,616                                 |  |
| 27                                                   | SDPUC order issued 02-15-2019                                                                                                                                                                                 |                                                                                                                       |                                     |                                              |               |                                         |  |
| 28                                                   | October 2018 - September 2022                                                                                                                                                                                 |                                                                                                                       |                                     |                                              |               |                                         |  |
| 29                                                   |                                                                                                                                                                                                               |                                                                                                                       |                                     |                                              |               |                                         |  |
| 30                                                   |                                                                                                                                                                                                               |                                                                                                                       |                                     |                                              |               |                                         |  |
| 31                                                   |                                                                                                                                                                                                               |                                                                                                                       |                                     |                                              |               |                                         |  |
| 32                                                   |                                                                                                                                                                                                               |                                                                                                                       |                                     |                                              |               |                                         |  |
| 33                                                   |                                                                                                                                                                                                               |                                                                                                                       |                                     |                                              |               |                                         |  |
| 34                                                   |                                                                                                                                                                                                               |                                                                                                                       |                                     |                                              |               |                                         |  |
| 35                                                   |                                                                                                                                                                                                               |                                                                                                                       |                                     |                                              |               |                                         |  |
| 36                                                   |                                                                                                                                                                                                               |                                                                                                                       |                                     |                                              |               |                                         |  |
| 37                                                   |                                                                                                                                                                                                               |                                                                                                                       |                                     |                                              |               |                                         |  |
| 38                                                   |                                                                                                                                                                                                               |                                                                                                                       |                                     |                                              |               |                                         |  |
| 39                                                   |                                                                                                                                                                                                               |                                                                                                                       |                                     |                                              |               |                                         |  |
| 40                                                   |                                                                                                                                                                                                               |                                                                                                                       |                                     |                                              |               |                                         |  |
| 41                                                   |                                                                                                                                                                                                               |                                                                                                                       |                                     |                                              |               |                                         |  |
| 42                                                   |                                                                                                                                                                                                               |                                                                                                                       |                                     |                                              |               |                                         |  |
| 43                                                   |                                                                                                                                                                                                               |                                                                                                                       |                                     |                                              |               |                                         |  |
| 44                                                   |                                                                                                                                                                                                               |                                                                                                                       |                                     |                                              |               |                                         |  |
| 45                                                   |                                                                                                                                                                                                               |                                                                                                                       |                                     |                                              |               |                                         |  |
| 46                                                   |                                                                                                                                                                                                               |                                                                                                                       |                                     |                                              |               |                                         |  |
| 47                                                   |                                                                                                                                                                                                               |                                                                                                                       |                                     |                                              |               |                                         |  |
| 48                                                   |                                                                                                                                                                                                               |                                                                                                                       |                                     |                                              |               |                                         |  |
| 49                                                   | TOTAL                                                                                                                                                                                                         | 2,070,587                                                                                                             |                                     |                                              | 734,321       | 1,336,266                               |  |

|                          |                                                                                                                       |                                              |                                  |
|--------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------|----------------------------------|
| Name of Respondent       | This Report is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>2019/Q4 |
| Otter Tail Power Company |                                                                                                                       |                                              |                                  |
| FOOTNOTE DATA            |                                                                                                                       |                                              |                                  |

|                                                                                         |
|-----------------------------------------------------------------------------------------|
| <b>Schedule Page: 230   Line No.: 21   Column: d</b><br>Accounts 407 and 419 were used. |
|-----------------------------------------------------------------------------------------|

| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                    | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |                     | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019  | Year/Period of Report<br>End of 2019/Q4 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|-----------------------------------------------------------------------------------------------------------------------|---------------------|-----------------------------------------------|-----------------------------------------|
| Transmission Service and Generation Interconnection Study Costs                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                    |                                                                                                                       |                     |                                               |                                         |
| 1. Report the particulars (details) called for concerning the costs incurred and the reimbursements received for performing transmission service and generator interconnection studies.<br>2. List each study separately.<br>3. In column (a) provide the name of the study.<br>4. In column (b) report the cost incurred to perform the study at the end of period.<br>5. In column (c) report the account charged with the cost of the study.<br>6. In column (d) report the amounts received for reimbursement of the study costs at end of period.<br>7. In column (e) report the account credited with the reimbursement received for performing the study. |                                    |                                                                                                                       |                     |                                               |                                         |
| Line No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Description (a)                    | Costs Incurred During Period (b)                                                                                      | Account Charged (c) | Reimbursements Received During the Period (d) | Account Credited With Reimbursement (e) |
| 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>Transmission Studies</b>        |                                                                                                                       |                     |                                               |                                         |
| 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                    |                                                                                                                       |                     |                                               |                                         |
| 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                    |                                                                                                                       |                     |                                               |                                         |
| 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                    |                                                                                                                       |                     |                                               |                                         |
| 5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                    |                                                                                                                       |                     |                                               |                                         |
| 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                    |                                                                                                                       |                     |                                               |                                         |
| 7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                    |                                                                                                                       |                     |                                               |                                         |
| 8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                    |                                                                                                                       |                     |                                               |                                         |
| 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                    |                                                                                                                       |                     |                                               |                                         |
| 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                    |                                                                                                                       |                     |                                               |                                         |
| 11                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                    |                                                                                                                       |                     |                                               |                                         |
| 12                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                    |                                                                                                                       |                     |                                               |                                         |
| 13                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                    |                                                                                                                       |                     |                                               |                                         |
| 14                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                    |                                                                                                                       |                     |                                               |                                         |
| 15                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                    |                                                                                                                       |                     |                                               |                                         |
| 16                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                    |                                                                                                                       |                     |                                               |                                         |
| 17                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                    |                                                                                                                       |                     |                                               |                                         |
| 18                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                    |                                                                                                                       |                     |                                               |                                         |
| 19                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                    |                                                                                                                       |                     |                                               |                                         |
| 20                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                    |                                                                                                                       |                     |                                               |                                         |
| 21                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <b>Generation Studies</b>          |                                                                                                                       |                     |                                               |                                         |
| 22                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | J637 Interconnection Facility Stdy | 6,066                                                                                                                 | 456                 | 7,023                                         |                                         |
| 23                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | JG736/J442 Revised                 | 2,230                                                                                                                 | 456                 | 2,230                                         |                                         |
| 24                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Interconnection Facility Study     |                                                                                                                       |                     |                                               |                                         |
| 25                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | August-16 Hankinson to             | 27,121                                                                                                                | 456                 | 25,781                                        |                                         |
| 26                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Ellendale Facility Study           |                                                                                                                       |                     |                                               |                                         |
| 27                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | J721 Interconnection Facility Stdy | 1,152                                                                                                                 | 456                 | 1,152                                         |                                         |
| 28                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | D-19-05 OTP Jamestown              | 840                                                                                                                   | 456                 | 1,500                                         |                                         |
| 29                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Distributed Generation Study       |                                                                                                                       |                     |                                               |                                         |
| 30                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | J933 - Day County 3                | 280                                                                                                                   | 456                 | 280                                           |                                         |
| 31                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Interconnection Facility Study     |                                                                                                                       |                     |                                               |                                         |
| 32                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | J816 - Buffalo Solar               | 620                                                                                                                   | 456                 | 620                                           |                                         |
| 33                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Interconnection Facility Study     |                                                                                                                       |                     |                                               |                                         |
| 34                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | J722 - Crowned Ridge IV            | 681                                                                                                                   | 456                 | 681                                           |                                         |
| 35                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Interconnection Facility Study     |                                                                                                                       |                     |                                               |                                         |
| 36                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                    |                                                                                                                       |                     |                                               |                                         |
| 37                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                    |                                                                                                                       |                     |                                               |                                         |
| 38                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                    |                                                                                                                       |                     |                                               |                                         |
| 39                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                    |                                                                                                                       |                     |                                               |                                         |
| 40                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                    |                                                                                                                       |                     |                                               |                                         |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                    |                                                                                                                       |                     |                                               |                                         |



| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                               |                                                               | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |               | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019               |                                             | Year/Period of Report<br>End of 2019/Q4       |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|---------------|------------------------------------------------------------|---------------------------------------------|-----------------------------------------------|--|
| OTHER REGULATORY ASSETS (Account 182.3)                                                                                                                                                                                                                                                                                                                                      |                                                               |                                                                                                                       |               |                                                            |                                             |                                               |  |
| 1. Report below the particulars (details) called for concerning other regulatory assets, including rate order docket number, if applicable.<br>2. Minor items (5% of the Balance in Account 182.3 at end of period, or amounts less than \$100,000 which ever is less), may be grouped by classes.<br>3. For Regulatory Assets being amortized, show period of amortization. |                                                               |                                                                                                                       |               |                                                            |                                             |                                               |  |
| Line No.                                                                                                                                                                                                                                                                                                                                                                     | Description and Purpose of Other Regulatory Assets<br><br>(a) | Balance at Beginning of Current Quarter/Year<br>(b)                                                                   | Debits<br>(c) | CREDITS                                                    |                                             | Balance at end of Current Quarter/Year<br>(f) |  |
|                                                                                                                                                                                                                                                                                                                                                                              |                                                               |                                                                                                                       |               | Written off During the Quarter/Year Account Charged<br>(d) | Written off During the Period Amount<br>(e) |                                               |  |
| 1                                                                                                                                                                                                                                                                                                                                                                            | Deferred Income Tax Adjustments                               |                                                                                                                       |               |                                                            |                                             |                                               |  |
| 2                                                                                                                                                                                                                                                                                                                                                                            | Due to ASC 740 on:                                            |                                                                                                                       |               |                                                            |                                             |                                               |  |
| 3                                                                                                                                                                                                                                                                                                                                                                            | Property/Non Property Related Items                           | 2,423,102                                                                                                             | 2,563,498     | 282                                                        | 4,986,600                                   |                                               |  |
| 4                                                                                                                                                                                                                                                                                                                                                                            |                                                               |                                                                                                                       |               |                                                            |                                             |                                               |  |
| 5                                                                                                                                                                                                                                                                                                                                                                            | Asset Retirement Obligation Capitalized                       |                                                                                                                       |               |                                                            |                                             |                                               |  |
| 6                                                                                                                                                                                                                                                                                                                                                                            | Hoot Lake Plant                                               | 2,250,264                                                                                                             | 115,429       |                                                            |                                             | 2,365,693                                     |  |
| 7                                                                                                                                                                                                                                                                                                                                                                            | Big Stone Plant                                               | 787,090                                                                                                               | 98,839        |                                                            | 1,433                                       | 884,496                                       |  |
| 8                                                                                                                                                                                                                                                                                                                                                                            | Coyote Station                                                | 2,819,394                                                                                                             | 223,540       |                                                            |                                             | 3,042,934                                     |  |
| 9                                                                                                                                                                                                                                                                                                                                                                            | Wind Generation - Langdon                                     | 515,147                                                                                                               | 51,799        | 407.4                                                      | 1,942                                       | 565,004                                       |  |
| 10                                                                                                                                                                                                                                                                                                                                                                           | Wind Generation - Ashtabula                                   | 404,110                                                                                                               | 58,273        | 407.4                                                      | 1,650                                       | 460,733                                       |  |
| 11                                                                                                                                                                                                                                                                                                                                                                           | Wind Generation - Luverne                                     | 393,018                                                                                                               | 59,834        |                                                            |                                             | 452,852                                       |  |
| 12                                                                                                                                                                                                                                                                                                                                                                           |                                                               |                                                                                                                       |               |                                                            |                                             |                                               |  |
| 13                                                                                                                                                                                                                                                                                                                                                                           | Derivatives-Marked to Market Losses                           | 2,404,641                                                                                                             |               | See Note                                                   | 1,661,431                                   | 743,210                                       |  |
| 14                                                                                                                                                                                                                                                                                                                                                                           |                                                               |                                                                                                                       |               |                                                            |                                             |                                               |  |
| 15                                                                                                                                                                                                                                                                                                                                                                           | MISO Schedules 26 & 26A Accrual                               | 240,040                                                                                                               | 3,453,387     | See Note                                                   | 692,038                                     | 3,001,389                                     |  |
| 16                                                                                                                                                                                                                                                                                                                                                                           | MN Renewable Resource Rider                                   | 452,131                                                                                                               | 146,322       | See Note                                                   | 467,564                                     | 130,889                                       |  |
| 17                                                                                                                                                                                                                                                                                                                                                                           |                                                               |                                                                                                                       |               |                                                            |                                             |                                               |  |
| 18                                                                                                                                                                                                                                                                                                                                                                           | ESSRP                                                         | 1,788,024                                                                                                             | 561,923       | 228.3                                                      | 179,580                                     | 2,170,367                                     |  |
| 19                                                                                                                                                                                                                                                                                                                                                                           | Pension                                                       | 104,896,412                                                                                                           | 27,122,110    | 228.3                                                      | 11,426,472                                  | 120,592,050                                   |  |
| 20                                                                                                                                                                                                                                                                                                                                                                           | Post Retirement Medical Benefits                              | 18,094,263                                                                                                            | 2,120,000     |                                                            | 4,784,559                                   | 15,429,704                                    |  |
| 21                                                                                                                                                                                                                                                                                                                                                                           |                                                               |                                                                                                                       |               |                                                            |                                             |                                               |  |
| 22                                                                                                                                                                                                                                                                                                                                                                           | MN Transmission Revenue Rider                                 | 443,635                                                                                                               | 3,792,755     | See Note                                                   | 28,422                                      | 4,207,968                                     |  |
| 23                                                                                                                                                                                                                                                                                                                                                                           | SD Transmission Revenue Rider                                 |                                                                                                                       | 196,989       | See Note                                                   | 100,143                                     | 96,846                                        |  |
| 24                                                                                                                                                                                                                                                                                                                                                                           | ND Generation Revenue Rider                                   |                                                                                                                       | 469,789       | See Note                                                   | 469,789                                     |                                               |  |
| 25                                                                                                                                                                                                                                                                                                                                                                           |                                                               |                                                                                                                       |               |                                                            |                                             |                                               |  |
| 26                                                                                                                                                                                                                                                                                                                                                                           | Conservation Improvement Program - MN                         | 9,145,044                                                                                                             | 7,066,119     | 186                                                        | 9,545,603                                   | 6,665,560                                     |  |
| 27                                                                                                                                                                                                                                                                                                                                                                           | Energy Efficiency Program - SD                                | 134,762                                                                                                               | 552,198       | 186                                                        | 484,086                                     | 202,874                                       |  |
| 28                                                                                                                                                                                                                                                                                                                                                                           |                                                               |                                                                                                                       |               |                                                            |                                             |                                               |  |
| 29                                                                                                                                                                                                                                                                                                                                                                           | MN Rate Case Expense Deferral                                 |                                                                                                                       |               |                                                            |                                             |                                               |  |
| 30                                                                                                                                                                                                                                                                                                                                                                           | ND Rate Case Expense Deferral                                 | 454,961                                                                                                               | 324,304       | 407.4                                                      | 413,455                                     | 365,810                                       |  |
| 31                                                                                                                                                                                                                                                                                                                                                                           | SD Rate Case Expense Deferral                                 | 177,891                                                                                                               | 705,593       | 407.4                                                      | 500,115                                     | 383,369                                       |  |
| 32                                                                                                                                                                                                                                                                                                                                                                           |                                                               |                                                                                                                       |               |                                                            |                                             |                                               |  |
| 33                                                                                                                                                                                                                                                                                                                                                                           | MN Environmental Cost Recovery Rider                          | 120,725                                                                                                               | 949           | See Note                                                   | 117,609                                     | 4,065                                         |  |
| 34                                                                                                                                                                                                                                                                                                                                                                           | ND Environmental Cost Recovery Rider                          | 16,778                                                                                                                |               |                                                            | 16,778                                      |                                               |  |
| 35                                                                                                                                                                                                                                                                                                                                                                           |                                                               |                                                                                                                       |               |                                                            |                                             |                                               |  |
| 36                                                                                                                                                                                                                                                                                                                                                                           | MN EITE Cost Recovery Rider                                   | 327,548                                                                                                               |               |                                                            | 327,548                                     |                                               |  |
| 37                                                                                                                                                                                                                                                                                                                                                                           |                                                               |                                                                                                                       |               |                                                            |                                             |                                               |  |
| 38                                                                                                                                                                                                                                                                                                                                                                           | SPP Cost Recover Rider                                        | 176,210                                                                                                               | 165,123       | See Note                                                   | 139,571                                     | 201,762                                       |  |
| 39                                                                                                                                                                                                                                                                                                                                                                           |                                                               |                                                                                                                       |               |                                                            |                                             |                                               |  |
| 40                                                                                                                                                                                                                                                                                                                                                                           | SD Fuel Clause Adjustment                                     |                                                                                                                       | 843,089       | See Note                                                   | 843,089                                     |                                               |  |
| 41                                                                                                                                                                                                                                                                                                                                                                           |                                                               |                                                                                                                       |               |                                                            |                                             |                                               |  |
| 42                                                                                                                                                                                                                                                                                                                                                                           | See footnote 3 in Notes to Financial Statements               |                                                                                                                       |               |                                                            |                                             |                                               |  |
| 43                                                                                                                                                                                                                                                                                                                                                                           | for amortization periods.                                     |                                                                                                                       |               |                                                            |                                             |                                               |  |
| 44                                                                                                                                                                                                                                                                                                                                                                           | TOTAL                                                         | 148,465,190                                                                                                           | 50,691,862    |                                                            | 37,189,477                                  | 161,967,575                                   |  |

|                                                |                                                                                                                       |                                              |                                  |
|------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------|----------------------------------|
| Name of Respondent<br>Otter Tail Power Company | This Report is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>2019/Q4 |
| FOOTNOTE DATA                                  |                                                                                                                       |                                              |                                  |

|                                                                                                   |
|---------------------------------------------------------------------------------------------------|
| <b>Schedule Page: 232 Line No.: 13 Column: d</b><br>Accounts 253 and 242 were debited.            |
| <b>Schedule Page: 232 Line No.: 15 Column: d</b><br>Accounts 440, 442, 444, and 445 were debited. |
| <b>Schedule Page: 232 Line No.: 16 Column: d</b><br>Accounts 440, 442, 444, and 445 were debited. |
| <b>Schedule Page: 232 Line No.: 22 Column: d</b><br>Accounts 440, 442, 444, and 445 were debited. |
| <b>Schedule Page: 232 Line No.: 23 Column: d</b><br>Accounts 440, 442, 444, and 445 were debited. |
| <b>Schedule Page: 232 Line No.: 24 Column: d</b><br>Accounts 440, 442, 444, and 445 were debited. |
| <b>Schedule Page: 232 Line No.: 33 Column: d</b><br>Accounts 440, 442, 444, and 445 were debited. |
| <b>Schedule Page: 232 Line No.: 38 Column: d</b><br>Accounts 440, 442, 444, and 445 were debited. |
| <b>Schedule Page: 232 Line No.: 40 Column: d</b><br>Accounts 440, 442, 444, and 445 were debited. |

| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                          |                                                          | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |               | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 |               | Year/Period of Report<br>End of 2019/Q4 |  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|---------------|----------------------------------------------|---------------|-----------------------------------------|--|
| MISCELLANEOUS DEFERRED DEBITS (Account 186)                                                                                                                                                                                                                                                                                             |                                                          |                                                                                                                       |               |                                              |               |                                         |  |
| 1. Report below the particulars (details) called for concerning miscellaneous deferred debits.<br>2. For any deferred debit being amortized, show period of amortization in column (a)<br>3. Minor item (1% of the Balance at End of Year for Account 186 or amounts less than \$100,000, whichever is less) may be grouped by classes. |                                                          |                                                                                                                       |               |                                              |               |                                         |  |
| Line No.                                                                                                                                                                                                                                                                                                                                | Description of Miscellaneous Deferred Debits<br>(a)      | Balance at Beginning of Year<br>(b)                                                                                   | Debits<br>(c) | CREDITS                                      |               | Balance at End of Year<br>(f)           |  |
|                                                                                                                                                                                                                                                                                                                                         |                                                          |                                                                                                                       |               | Account Charged<br>(d)                       | Amount<br>(e) |                                         |  |
| 1                                                                                                                                                                                                                                                                                                                                       | Conservation Improvement                                 |                                                                                                                       |               |                                              |               |                                         |  |
| 2                                                                                                                                                                                                                                                                                                                                       | Programs - MN                                            |                                                                                                                       | 20,115,698    | 182.3                                        | 20,115,698    |                                         |  |
| 3                                                                                                                                                                                                                                                                                                                                       |                                                          |                                                                                                                       |               |                                              |               |                                         |  |
| 4                                                                                                                                                                                                                                                                                                                                       | Energy Efficiency Program - SD                           |                                                                                                                       | 1,518,545     | 182.3                                        | 1,518,545     |                                         |  |
| 5                                                                                                                                                                                                                                                                                                                                       |                                                          |                                                                                                                       |               |                                              |               |                                         |  |
| 6                                                                                                                                                                                                                                                                                                                                       | Renewable Energy Certificates                            | 173,102                                                                                                               | 16,378        |                                              | 189,480       |                                         |  |
| 7                                                                                                                                                                                                                                                                                                                                       |                                                          |                                                                                                                       |               |                                              |               |                                         |  |
| 8                                                                                                                                                                                                                                                                                                                                       |                                                          |                                                                                                                       |               |                                              |               |                                         |  |
| 9                                                                                                                                                                                                                                                                                                                                       |                                                          |                                                                                                                       |               |                                              |               |                                         |  |
| 10                                                                                                                                                                                                                                                                                                                                      |                                                          |                                                                                                                       |               |                                              |               |                                         |  |
| 11                                                                                                                                                                                                                                                                                                                                      |                                                          |                                                                                                                       |               |                                              |               |                                         |  |
| 12                                                                                                                                                                                                                                                                                                                                      |                                                          |                                                                                                                       |               |                                              |               |                                         |  |
| 13                                                                                                                                                                                                                                                                                                                                      |                                                          |                                                                                                                       |               |                                              |               |                                         |  |
| 14                                                                                                                                                                                                                                                                                                                                      |                                                          |                                                                                                                       |               |                                              |               |                                         |  |
| 15                                                                                                                                                                                                                                                                                                                                      |                                                          |                                                                                                                       |               |                                              |               |                                         |  |
| 16                                                                                                                                                                                                                                                                                                                                      |                                                          |                                                                                                                       |               |                                              |               |                                         |  |
| 17                                                                                                                                                                                                                                                                                                                                      |                                                          |                                                                                                                       |               |                                              |               |                                         |  |
| 18                                                                                                                                                                                                                                                                                                                                      |                                                          |                                                                                                                       |               |                                              |               |                                         |  |
| 19                                                                                                                                                                                                                                                                                                                                      |                                                          |                                                                                                                       |               |                                              |               |                                         |  |
| 20                                                                                                                                                                                                                                                                                                                                      |                                                          |                                                                                                                       |               |                                              |               |                                         |  |
| 21                                                                                                                                                                                                                                                                                                                                      |                                                          |                                                                                                                       |               |                                              |               |                                         |  |
| 22                                                                                                                                                                                                                                                                                                                                      |                                                          |                                                                                                                       |               |                                              |               |                                         |  |
| 23                                                                                                                                                                                                                                                                                                                                      |                                                          |                                                                                                                       |               |                                              |               |                                         |  |
| 24                                                                                                                                                                                                                                                                                                                                      |                                                          |                                                                                                                       |               |                                              |               |                                         |  |
| 25                                                                                                                                                                                                                                                                                                                                      |                                                          |                                                                                                                       |               |                                              |               |                                         |  |
| 26                                                                                                                                                                                                                                                                                                                                      |                                                          |                                                                                                                       |               |                                              |               |                                         |  |
| 27                                                                                                                                                                                                                                                                                                                                      |                                                          |                                                                                                                       |               |                                              |               |                                         |  |
| 28                                                                                                                                                                                                                                                                                                                                      |                                                          |                                                                                                                       |               |                                              |               |                                         |  |
| 29                                                                                                                                                                                                                                                                                                                                      |                                                          |                                                                                                                       |               |                                              |               |                                         |  |
| 30                                                                                                                                                                                                                                                                                                                                      |                                                          |                                                                                                                       |               |                                              |               |                                         |  |
| 31                                                                                                                                                                                                                                                                                                                                      |                                                          |                                                                                                                       |               |                                              |               |                                         |  |
| 32                                                                                                                                                                                                                                                                                                                                      |                                                          |                                                                                                                       |               |                                              |               |                                         |  |
| 33                                                                                                                                                                                                                                                                                                                                      |                                                          |                                                                                                                       |               |                                              |               |                                         |  |
| 34                                                                                                                                                                                                                                                                                                                                      |                                                          |                                                                                                                       |               |                                              |               |                                         |  |
| 35                                                                                                                                                                                                                                                                                                                                      |                                                          |                                                                                                                       |               |                                              |               |                                         |  |
| 36                                                                                                                                                                                                                                                                                                                                      |                                                          |                                                                                                                       |               |                                              |               |                                         |  |
| 37                                                                                                                                                                                                                                                                                                                                      |                                                          |                                                                                                                       |               |                                              |               |                                         |  |
| 38                                                                                                                                                                                                                                                                                                                                      |                                                          |                                                                                                                       |               |                                              |               |                                         |  |
| 39                                                                                                                                                                                                                                                                                                                                      |                                                          |                                                                                                                       |               |                                              |               |                                         |  |
| 40                                                                                                                                                                                                                                                                                                                                      |                                                          |                                                                                                                       |               |                                              |               |                                         |  |
| 41                                                                                                                                                                                                                                                                                                                                      |                                                          |                                                                                                                       |               |                                              |               |                                         |  |
| 42                                                                                                                                                                                                                                                                                                                                      |                                                          |                                                                                                                       |               |                                              |               |                                         |  |
| 43                                                                                                                                                                                                                                                                                                                                      |                                                          |                                                                                                                       |               |                                              |               |                                         |  |
| 44                                                                                                                                                                                                                                                                                                                                      |                                                          |                                                                                                                       |               |                                              |               |                                         |  |
| 45                                                                                                                                                                                                                                                                                                                                      |                                                          |                                                                                                                       |               |                                              |               |                                         |  |
| 46                                                                                                                                                                                                                                                                                                                                      |                                                          |                                                                                                                       |               |                                              |               |                                         |  |
| 47                                                                                                                                                                                                                                                                                                                                      | Misc. Work in Progress                                   |                                                                                                                       |               |                                              |               |                                         |  |
| 48                                                                                                                                                                                                                                                                                                                                      | Deferred Regulatory Comm. Expenses (See pages 350 - 351) |                                                                                                                       |               |                                              |               |                                         |  |
| 49                                                                                                                                                                                                                                                                                                                                      | TOTAL                                                    | 173,102                                                                                                               |               |                                              |               |                                         |  |

| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                    |                                                | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------|-----------------------------------------|
| ACCUMULATED DEFERRED INCOME TAXES (Account 190)                                                                                                                                                   |                                                |                                                                                                                       |                                              |                                         |
| 1. Report the information called for below concerning the respondent's accounting for deferred income taxes.<br>2. At Other (Specify), include deferrals relating to other income and deductions. |                                                |                                                                                                                       |                                              |                                         |
| Line No.                                                                                                                                                                                          | Description and Location<br>(a)                | Balance of Beginning of Year<br>(b)                                                                                   | Balance at End of Year<br>(c)                |                                         |
| 1                                                                                                                                                                                                 | Electric                                       |                                                                                                                       |                                              |                                         |
| 2                                                                                                                                                                                                 | Property Insurance Reserve                     |                                                                                                                       |                                              |                                         |
| 3                                                                                                                                                                                                 | Workman's Compensation Reserve                 | 291,027                                                                                                               | 246,593                                      |                                         |
| 4                                                                                                                                                                                                 | Medical Insurance Reserve                      |                                                                                                                       |                                              |                                         |
| 5                                                                                                                                                                                                 | Injuries and Damages Reserve                   |                                                                                                                       |                                              |                                         |
| 6                                                                                                                                                                                                 | See Note Below                                 | 98,240,541                                                                                                            | 84,788,627                                   |                                         |
| 7                                                                                                                                                                                                 | Other                                          |                                                                                                                       |                                              |                                         |
| 8                                                                                                                                                                                                 | TOTAL Electric (Enter Total of lines 2 thru 7) | 98,531,568                                                                                                            | 85,035,220                                   |                                         |
| 9                                                                                                                                                                                                 | Gas                                            |                                                                                                                       |                                              |                                         |
| 10                                                                                                                                                                                                |                                                |                                                                                                                       |                                              |                                         |
| 11                                                                                                                                                                                                |                                                |                                                                                                                       |                                              |                                         |
| 12                                                                                                                                                                                                |                                                |                                                                                                                       |                                              |                                         |
| 13                                                                                                                                                                                                |                                                |                                                                                                                       |                                              |                                         |
| 14                                                                                                                                                                                                |                                                |                                                                                                                       |                                              |                                         |
| 15                                                                                                                                                                                                | Other                                          |                                                                                                                       |                                              |                                         |
| 16                                                                                                                                                                                                | TOTAL Gas (Enter Total of lines 10 thru 15)    |                                                                                                                       |                                              |                                         |
| 17                                                                                                                                                                                                | Other (Specify)                                |                                                                                                                       |                                              |                                         |
| 18                                                                                                                                                                                                | TOTAL (Acct 190) (Total of lines 8, 16 and 17) | 98,531,568                                                                                                            | 85,035,220                                   |                                         |
| Notes                                                                                                                                                                                             |                                                |                                                                                                                       |                                              |                                         |
|                                                                                                                                                                                                   | Balance at Beginning of Year                   | Balance at End of Year                                                                                                |                                              |                                         |
| Post Retirement Medical Benefits                                                                                                                                                                  | 21,617,966                                     | 16,208,714                                                                                                            |                                              |                                         |
| Executive Supplemental Pension                                                                                                                                                                    | 4,307,752                                      | 2,988,782                                                                                                             |                                              |                                         |
| Reserve for Bad Debts                                                                                                                                                                             | 352,851                                        | 302,054                                                                                                               |                                              |                                         |
| Performance Shares                                                                                                                                                                                | 0                                              | 134,061                                                                                                               |                                              |                                         |
| Accrued Vacation Pay                                                                                                                                                                              | 1,610,145                                      | 1,083,200                                                                                                             |                                              |                                         |
| Capitalized Int. on Construction                                                                                                                                                                  | 6,171,717                                      | 4,825,041                                                                                                             |                                              |                                         |
| Post Employment Medical Benefits                                                                                                                                                                  | 565,385                                        | 351,595                                                                                                               |                                              |                                         |
| Bonus Incentive                                                                                                                                                                                   | 1,096,971                                      | 536,676                                                                                                               |                                              |                                         |
| Nonqualified Retirement Savings                                                                                                                                                                   | 370,123                                        | 337,139                                                                                                               |                                              |                                         |
| Deferred Settlement                                                                                                                                                                               | 0                                              | 0                                                                                                                     |                                              |                                         |
| Federal NOL Carryforward                                                                                                                                                                          | 0                                              | 0                                                                                                                     |                                              |                                         |
| Excess EDIT related to Federal NOL Carryforward                                                                                                                                                   | 2,398,618                                      | 0                                                                                                                     |                                              |                                         |
| Reserve for Loan Pools                                                                                                                                                                            | 4,431                                          | 3,104                                                                                                                 |                                              |                                         |
| Property Damage Reserves                                                                                                                                                                          | 16,212                                         | 0                                                                                                                     |                                              |                                         |
| Capitalized A & G                                                                                                                                                                                 | 1,927,318                                      | 1,072,201                                                                                                             |                                              |                                         |
| Customer Rebates Capitalized                                                                                                                                                                      | 175,494                                        | 143,123                                                                                                               |                                              |                                         |
| Asbestos Removal Costs Capitalized                                                                                                                                                                | 0                                              | 0                                                                                                                     |                                              |                                         |
| Stock Incentives                                                                                                                                                                                  | 50,919                                         | 13,694                                                                                                                |                                              |                                         |
| Stock Options                                                                                                                                                                                     | 0                                              | 0                                                                                                                     |                                              |                                         |
| Executive Restoration Plan                                                                                                                                                                        | 6,492                                          | 17,322                                                                                                                |                                              |                                         |
| CIAC Capitalized                                                                                                                                                                                  | 56,578                                         | 21,751                                                                                                                |                                              |                                         |
| Big Stone II Land                                                                                                                                                                                 | 0                                              | 0                                                                                                                     |                                              |                                         |
| BSII Discount                                                                                                                                                                                     | 132,739                                        | 68,956                                                                                                                |                                              |                                         |
| Unicap Adjustment                                                                                                                                                                                 | 33,457                                         | 23,679                                                                                                                |                                              |                                         |
| Medicare Part D                                                                                                                                                                                   | 424,813                                        | 258,787                                                                                                               |                                              |                                         |
| Executive Stock Incentive Plan                                                                                                                                                                    | 0                                              | 0                                                                                                                     |                                              |                                         |
| Research Credit Carryforward                                                                                                                                                                      | 374,580                                        | 133,361                                                                                                               |                                              |                                         |
| Charitable Contributions                                                                                                                                                                          | 0                                              | 0                                                                                                                     |                                              |                                         |
| Severance Settlement                                                                                                                                                                              | 0                                              | 23,744                                                                                                                |                                              |                                         |
| FIN 48 Reserves                                                                                                                                                                                   | 0                                              | 0                                                                                                                     |                                              |                                         |
| Flow-Through Items                                                                                                                                                                                | 114,310                                        | 43,173                                                                                                                |                                              |                                         |
| State NOL Carryforward                                                                                                                                                                            | 1,465,416                                      | 0                                                                                                                     |                                              |                                         |
| Wind Energy Income Tax Credits-ND                                                                                                                                                                 | 35,519,583                                     | 35,500,677                                                                                                            |                                              |                                         |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                       |                                              |                                         |                          |         |         |                                                   |           |           |                                                                |  |             |                                             |            |            |  |       |       |  |            |            |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------|-----------------------------------------|--------------------------|---------|---------|---------------------------------------------------|-----------|-----------|----------------------------------------------------------------|--|-------------|---------------------------------------------|------------|------------|--|-------|-------|--|------------|------------|
| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |                          |         |         |                                                   |           |           |                                                                |  |             |                                             |            |            |  |       |       |  |            |            |
| ACCUMULATED DEFERRED INCOME TAXES (Account 190) (continued)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                       |                                              |                                         |                          |         |         |                                                   |           |           |                                                                |  |             |                                             |            |            |  |       |       |  |            |            |
| 1. Report the information called for below concerning the respondent's accounting for deferred income taxes.<br>2. At Other (Specify), include deferrals relating to other income and deductions.                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                       |                                              |                                         |                          |         |         |                                                   |           |           |                                                                |  |             |                                             |            |            |  |       |       |  |            |            |
| <table> <tr> <td>SFAS 109 Unamortized ITC</td> <td>449,298</td> <td>407,433</td> </tr> <tr> <td>SFAS 109 Recognition of Regulatory Assets (Liab.)</td> <td>1,540,340</td> <td>2,755,643</td> </tr> <tr> <td>Excess Accum Defrd Tax due to Federal Rate Change (18,741,657)</td> <td></td> <td>(5,094,249)</td> </tr> <tr> <td>Wind Production Tax Credit Deferral (Asset)</td> <td>36,198,690</td> <td>22,628,966</td> </tr> <tr> <td></td> <td>-----</td> <td>-----</td> </tr> <tr> <td></td> <td>98,240,541</td> <td>84,788,627</td> </tr> </table> |                                                                                                                       |                                              |                                         | SFAS 109 Unamortized ITC | 449,298 | 407,433 | SFAS 109 Recognition of Regulatory Assets (Liab.) | 1,540,340 | 2,755,643 | Excess Accum Defrd Tax due to Federal Rate Change (18,741,657) |  | (5,094,249) | Wind Production Tax Credit Deferral (Asset) | 36,198,690 | 22,628,966 |  | ----- | ----- |  | 98,240,541 | 84,788,627 |
| SFAS 109 Unamortized ITC                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 449,298                                                                                                               | 407,433                                      |                                         |                          |         |         |                                                   |           |           |                                                                |  |             |                                             |            |            |  |       |       |  |            |            |
| SFAS 109 Recognition of Regulatory Assets (Liab.)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 1,540,340                                                                                                             | 2,755,643                                    |                                         |                          |         |         |                                                   |           |           |                                                                |  |             |                                             |            |            |  |       |       |  |            |            |
| Excess Accum Defrd Tax due to Federal Rate Change (18,741,657)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                       | (5,094,249)                                  |                                         |                          |         |         |                                                   |           |           |                                                                |  |             |                                             |            |            |  |       |       |  |            |            |
| Wind Production Tax Credit Deferral (Asset)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 36,198,690                                                                                                            | 22,628,966                                   |                                         |                          |         |         |                                                   |           |           |                                                                |  |             |                                             |            |            |  |       |       |  |            |            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | -----                                                                                                                 | -----                                        |                                         |                          |         |         |                                                   |           |           |                                                                |  |             |                                             |            |            |  |       |       |  |            |            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 98,240,541                                                                                                            | 84,788,627                                   |                                         |                          |         |         |                                                   |           |           |                                                                |  |             |                                             |            |            |  |       |       |  |            |            |

| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                  | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |                                             | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|---------------------------------------------|----------------------------------------------|-----------------------------------------|
| CAPITAL STOCKS (Account 201 and 204)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                  |                                                                                                                       |                                             |                                              |                                         |
| <p>1. Report below the particulars (details) called for concerning common and preferred stock at end of year, distinguishing separate series of any general class. Show separate totals for common and preferred stock. If information to meet the stock exchange reporting requirement outlined in column (a) is available from the SEC 10-K Report Form filing, a specific reference to report form (i.e., year and company title) may be reported in column (a) provided the fiscal years for both the 10-K report and this report are compatible.</p> <p>2. Entries in column (b) should represent the number of shares authorized by the articles of incorporation as amended to end of year.</p> |                                                                  |                                                                                                                       |                                             |                                              |                                         |
| Line No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Class and Series of Stock and<br>Name of Stock Series<br><br>(a) | Number of shares<br>Authorized by Charter<br><br>(b)                                                                  | Par or Stated<br>Value per share<br><br>(c) | Call Price at<br>End of Year<br><br>(d)      |                                         |
| 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Account 201 (Par)                                                |                                                                                                                       |                                             |                                              |                                         |
| 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Common Stock                                                     | 50,000,000                                                                                                            | 5.00                                        |                                              |                                         |
| 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                  |                                                                                                                       |                                             |                                              |                                         |
| 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                  |                                                                                                                       |                                             |                                              |                                         |
| 5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | TOTAL COMMON                                                     | 50,000,000                                                                                                            |                                             |                                              |                                         |
| 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                  |                                                                                                                       |                                             |                                              |                                         |
| 7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Cumulative Preferred                                             | 1,500,000                                                                                                             |                                             |                                              |                                         |
| 8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Cumulative Preference                                            | 1,000,000                                                                                                             |                                             |                                              |                                         |
| 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | TOTAL PREFERRED                                                  | 2,500,000                                                                                                             |                                             |                                              |                                         |
| 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                  |                                                                                                                       |                                             |                                              |                                         |
| 11                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                  |                                                                                                                       |                                             |                                              |                                         |
| 12                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                  |                                                                                                                       |                                             |                                              |                                         |
| 13                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                  |                                                                                                                       |                                             |                                              |                                         |
| 14                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                  |                                                                                                                       |                                             |                                              |                                         |
| 15                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                  |                                                                                                                       |                                             |                                              |                                         |
| 16                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                  |                                                                                                                       |                                             |                                              |                                         |
| 17                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                  |                                                                                                                       |                                             |                                              |                                         |
| 18                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                  |                                                                                                                       |                                             |                                              |                                         |
| 19                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                  |                                                                                                                       |                                             |                                              |                                         |
| 20                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                  |                                                                                                                       |                                             |                                              |                                         |
| 21                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                  |                                                                                                                       |                                             |                                              |                                         |
| 22                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                  |                                                                                                                       |                                             |                                              |                                         |
| 23                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                  |                                                                                                                       |                                             |                                              |                                         |
| 24                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                  |                                                                                                                       |                                             |                                              |                                         |
| 25                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                  |                                                                                                                       |                                             |                                              |                                         |
| 26                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                  |                                                                                                                       |                                             |                                              |                                         |
| 27                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                  |                                                                                                                       |                                             |                                              |                                         |
| 28                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                  |                                                                                                                       |                                             |                                              |                                         |
| 29                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                  |                                                                                                                       |                                             |                                              |                                         |
| 30                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                  |                                                                                                                       |                                             |                                              |                                         |
| 31                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                  |                                                                                                                       |                                             |                                              |                                         |
| 32                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                  |                                                                                                                       |                                             |                                              |                                         |
| 33                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                  |                                                                                                                       |                                             |                                              |                                         |
| 34                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                  |                                                                                                                       |                                             |                                              |                                         |
| 35                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                  |                                                                                                                       |                                             |                                              |                                         |
| 36                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                  |                                                                                                                       |                                             |                                              |                                         |
| 37                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                  |                                                                                                                       |                                             |                                              |                                         |
| 38                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                  |                                                                                                                       |                                             |                                              |                                         |
| 39                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                  |                                                                                                                       |                                             |                                              |                                         |
| 40                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                  |                                                                                                                       |                                             |                                              |                                         |
| 41                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                  |                                                                                                                       |                                             |                                              |                                         |
| 42                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                  |                                                                                                                       |                                             |                                              |                                         |

| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |               | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |             | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 |               | Year/Period of Report<br>End of 2019/Q4 |  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-----------------------------------------------------------------------------------------------------------------------|-------------|----------------------------------------------|---------------|-----------------------------------------|--|
| CAPITAL STOCKS (Account 201 and 204) (Continued)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |               |                                                                                                                       |             |                                              |               |                                         |  |
| <p>3. Give particulars (details) concerning shares of any class and series of stock authorized to be issued by a regulatory commission which have not yet been issued.</p> <p>4. The identification of each class of preferred stock should show the dividend rate and whether the dividends are cumulative or non-cumulative.</p> <p>5. State in a footnote if any capital stock which has been nominally issued is nominally outstanding at end of year.</p> <p>Give particulars (details) in column (a) of any nominally issued capital stock, reacquired stock, or stock in sinking and other funds which is pledged, stating name of pledgee and purposes of pledge.</p> |               |                                                                                                                       |             |                                              |               |                                         |  |
| OUTSTANDING PER BALANCE SHEET<br>(Total amount outstanding without reduction<br>for amounts held by respondent)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |               | HELD BY RESPONDENT                                                                                                    |             |                                              |               | Line<br>No.                             |  |
| Shares<br>(e)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Amount<br>(f) | AS REACQUIRED STOCK (Account 217)                                                                                     |             | IN SINKING AND OTHER FUNDS                   |               |                                         |  |
| Shares<br>(e)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Amount<br>(f) | Shares<br>(g)                                                                                                         | Cost<br>(h) | Shares<br>(i)                                | Amount<br>(j) |                                         |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |               |                                                                                                                       |             |                                              |               | 1                                       |  |
| 100                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 500           |                                                                                                                       |             |                                              |               | 2                                       |  |
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|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |               |                                                                                                                       |             |                                              |               | 42                                      |  |

| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                  | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------|-----------------------------------------|
| OTHER PAID-IN CAPITAL (Accounts 208-211, inc.)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                  |                                                                                                                       |                                              |                                         |
| <p>Report below the balance at the end of the year and the information specified below for the respective other paid-in capital accounts. Provide a subheading for each account and show a total for the account, as well as total of all accounts for reconciliation with balance sheet, Page 112. Add more columns for any account if deemed necessary. Explain changes made in any account during the year and give the accounting entries effecting such change.</p> <p>(a) Donations Received from Stockholders (Account 208)-State amount and give brief explanation of the origin and purpose of each donation.</p> <p>(b) Reduction in Par or Stated value of Capital Stock (Account 209): State amount and give brief explanation of the capital change which gave rise to amounts reported under this caption including identification with the class and series of stock to which related.</p> <p>(c) Gain on Resale or Cancellation of Reacquired Capital Stock (Account 210): Report balance at beginning of year, credits, debits, and balance at end of year with a designation of the nature of each credit and debit identified by the class and series of stock to which related.</p> <p>(d) Miscellaneous Paid-in Capital (Account 211)-Classify amounts included in this account according to captions which, together with brief explanations, disclose the general nature of the transactions which gave rise to the reported amounts.</p> |                                                                  |                                                                                                                       |                                              |                                         |
| Line No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Item (a)                                                         | Amount (b)                                                                                                            |                                              |                                         |
| 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Miscellaneous Paid-In Capital (Account 211)                      |                                                                                                                       |                                              |                                         |
| 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Beginning Balance 1/1/19                                         | 401,988,966                                                                                                           |                                              |                                         |
| 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Additional parent Company Investment in Otter Tail Power Company | 35,000,000                                                                                                            |                                              |                                         |
| 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                  |                                                                                                                       |                                              |                                         |
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| 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                  |                                                                                                                       |                                              |                                         |
| 11                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                  |                                                                                                                       |                                              |                                         |
| 12                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                  |                                                                                                                       |                                              |                                         |
| 13                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                  |                                                                                                                       |                                              |                                         |
| 14                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                  |                                                                                                                       |                                              |                                         |
| 15                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                  |                                                                                                                       |                                              |                                         |
| 16                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                  |                                                                                                                       |                                              |                                         |
| 17                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                  |                                                                                                                       |                                              |                                         |
| 18                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                  |                                                                                                                       |                                              |                                         |
| 19                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                  |                                                                                                                       |                                              |                                         |
| 20                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                  |                                                                                                                       |                                              |                                         |
| 21                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                  |                                                                                                                       |                                              |                                         |
| 22                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                  |                                                                                                                       |                                              |                                         |
| 23                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                  |                                                                                                                       |                                              |                                         |
| 24                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                  |                                                                                                                       |                                              |                                         |
| 25                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                  |                                                                                                                       |                                              |                                         |
| 26                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                  |                                                                                                                       |                                              |                                         |
| 27                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                  |                                                                                                                       |                                              |                                         |
| 28                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                  |                                                                                                                       |                                              |                                         |
| 29                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                  |                                                                                                                       |                                              |                                         |
| 30                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                  |                                                                                                                       |                                              |                                         |
| 31                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                  |                                                                                                                       |                                              |                                         |
| 32                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                  |                                                                                                                       |                                              |                                         |
| 33                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                  |                                                                                                                       |                                              |                                         |
| 34                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                  |                                                                                                                       |                                              |                                         |
| 35                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                  |                                                                                                                       |                                              |                                         |
| 36                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                  |                                                                                                                       |                                              |                                         |
| 37                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                  |                                                                                                                       |                                              |                                         |
| 38                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                  |                                                                                                                       |                                              |                                         |
| 39                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                  |                                                                                                                       |                                              |                                         |
| 40                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | TOTAL                                                            | 436,988,966                                                                                                           |                                              |                                         |



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|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|-----------------------------------------------------------------------------------------------------------------------|--|----------------------------------------------|-----------------------------------------|
| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                    |                                  | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |  | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |
| CAPITAL STOCK EXPENSE (Account 214)                                                                                                                                                                                                                                                                                                                                                               |                                  |                                                                                                                       |  |                                              |                                         |
| <p>1. Report the balance at end of the year of discount on capital stock for each class and series of capital stock.</p> <p>2. If any change occurred during the year in the balance in respect to any class or series of stock, attach a statement giving particulars (details) of the change. State the reason for any charge-off of capital stock expense and specify the account charged.</p> |                                  |                                                                                                                       |  |                                              |                                         |
| Line No.                                                                                                                                                                                                                                                                                                                                                                                          | Class and Series of Stock<br>(a) |                                                                                                                       |  |                                              | Balance at End of Year<br>(b)           |
| 1                                                                                                                                                                                                                                                                                                                                                                                                 | Common Shares                    |                                                                                                                       |  |                                              |                                         |
| 2                                                                                                                                                                                                                                                                                                                                                                                                 |                                  |                                                                                                                       |  |                                              |                                         |
| 3                                                                                                                                                                                                                                                                                                                                                                                                 | Not applicable                   |                                                                                                                       |  |                                              |                                         |
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| 12                                                                                                                                                                                                                                                                                                                                                                                                |                                  |                                                                                                                       |  |                                              |                                         |
| 13                                                                                                                                                                                                                                                                                                                                                                                                | Cumulative Preferred Shares      |                                                                                                                       |  |                                              |                                         |
| 14                                                                                                                                                                                                                                                                                                                                                                                                |                                  |                                                                                                                       |  |                                              |                                         |
| 15                                                                                                                                                                                                                                                                                                                                                                                                |                                  |                                                                                                                       |  |                                              |                                         |
| 16                                                                                                                                                                                                                                                                                                                                                                                                |                                  |                                                                                                                       |  |                                              |                                         |
| 17                                                                                                                                                                                                                                                                                                                                                                                                |                                  |                                                                                                                       |  |                                              |                                         |
| 18                                                                                                                                                                                                                                                                                                                                                                                                |                                  |                                                                                                                       |  |                                              |                                         |
| 19                                                                                                                                                                                                                                                                                                                                                                                                |                                  |                                                                                                                       |  |                                              |                                         |
| 20                                                                                                                                                                                                                                                                                                                                                                                                |                                  |                                                                                                                       |  |                                              |                                         |
| 21                                                                                                                                                                                                                                                                                                                                                                                                |                                  |                                                                                                                       |  |                                              |                                         |
| 22                                                                                                                                                                                                                                                                                                                                                                                                | TOTAL                            |                                                                                                                       |  |                                              |                                         |

| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                        | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------|-----------------------------------------|
| LONG-TERM DEBT (Account 221, 222, 223 and 224)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                        |                                                                                                                       |                                              |                                         |
| <p>1. Report by balance sheet account the particulars (details) concerning long-term debt included in Accounts 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224, Other long-Term Debt.</p> <p>2. In column (a), for new issues, give Commission authorization numbers and dates.</p> <p>3. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.</p> <p>4. For advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.</p> <p>5. For receivers, certificates, show in column (a) the name of the court -and date of court order under which such certificates were issued.</p> <p>6. In column (b) show the principal amount of bonds or other long-term debt originally issued.</p> <p>7. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.</p> <p>8. For column (c) the total expenses should be listed first for each issuance, then the amount of premium (in parentheses) or discount. Indicate the premium or discount with a notation, such as (P) or (D). The expenses, premium or discount should not be netted.</p> <p>9. Furnish in a footnote particulars (details) regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.</p> |                                                                                                                        |                                                                                                                       |                                              |                                         |
| Line No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Class and Series of Obligation, Coupon Rate<br>(For new issue, give commission Authorization numbers and dates)<br>(a) | Principal Amount<br>Of Debt issued<br>(b)                                                                             | Total expense,<br>Premium or Discount<br>(c) |                                         |
| 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Account 221 - Bonds                                                                                                    |                                                                                                                       |                                              |                                         |
| 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 2021 Series 4.63% Notes                                                                                                | 140,000,000                                                                                                           | 891,465                                      |                                         |
| 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                        |                                                                                                                       |                                              |                                         |
| 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Senior Unsecured Notes 6.15%, Series B                                                                                 | 30,000,000                                                                                                            | 373,691                                      |                                         |
| 5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                        |                                                                                                                       |                                              |                                         |
| 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Senior Unsecured Notes 6.37%, Series C                                                                                 | 42,000,000                                                                                                            | 522,146                                      |                                         |
| 7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                        |                                                                                                                       |                                              |                                         |
| 8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Senior Unsecured Notes 3.07%, Series A                                                                                 | 10,000,000                                                                                                            | 52,390                                       |                                         |
| 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                        |                                                                                                                       |                                              |                                         |
| 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Senior Unsecured Notes 4.68%, Series A                                                                                 | 60,000,000                                                                                                            | 232,648                                      |                                         |
| 11                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                        |                                                                                                                       |                                              |                                         |
| 12                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Senior Unsecured Notes 6.47%, Series D                                                                                 | 50,000,000                                                                                                            | 643,807                                      |                                         |
| 13                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                        |                                                                                                                       |                                              |                                         |
| 14                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Senior Unsecured Notes 3.52%, Series B                                                                                 | 26,000,000                                                                                                            | 136,214                                      |                                         |
| 15                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                        |                                                                                                                       |                                              |                                         |
| 16                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Senior Unsecured Notes 5.47%, Series B                                                                                 | 90,000,000                                                                                                            | 346,947                                      |                                         |
| 17                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                        |                                                                                                                       |                                              |                                         |
| 18                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Senior Unsecured Notes 4.07%, Series A                                                                                 | 100,000,000                                                                                                           | 511,350                                      |                                         |
| 19                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                        |                                                                                                                       |                                              |                                         |
| 20                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Senior Unsecured Notes 3.82%, Series C                                                                                 | 64,000,000                                                                                                            | 335,296                                      |                                         |
| 21                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                        |                                                                                                                       |                                              |                                         |
| 22                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Account 222 - Reacquired Bonds - None                                                                                  |                                                                                                                       |                                              |                                         |
| 23                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Account 223 - Advances from associated companies - None                                                                |                                                                                                                       |                                              |                                         |
| 24                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Account 224 Other Long Term Debt - None                                                                                |                                                                                                                       |                                              |                                         |
| 25                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                        |                                                                                                                       |                                              |                                         |
| 26                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                        |                                                                                                                       |                                              |                                         |
| 27                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                        |                                                                                                                       |                                              |                                         |
| 28                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                        |                                                                                                                       |                                              |                                         |
| 29                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                        |                                                                                                                       |                                              |                                         |
| 30                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                        |                                                                                                                       |                                              |                                         |
| 31                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                        |                                                                                                                       |                                              |                                         |
| 32                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                        |                                                                                                                       |                                              |                                         |
| 33                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | TOTAL                                                                                                                  | 612,000,000                                                                                                           | 4,045,954                                    |                                         |

|                                                |                                                                                                                       |                                              |                                         |
|------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------|-----------------------------------------|
| Name of Respondent<br>Otter Tail Power Company | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |
|------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------|-----------------------------------------|

LONG-TERM DEBT (Account 221, 222, 223 and 224) (Continued)

10. Identify separate undisposed amounts applicable to issues which were redeemed in prior years.

11. Explain any debits and credits other than debited to Account 428, Amortization and Expense, or credited to Account 429, Premium on Debt - Credit.

12. In a footnote, give explanatory (details) for Accounts 223 and 224 of net changes during the year. With respect to long-term advances, show for each company: (a) principal advanced during year, (b) interest added to principal amount, and (c) principle repaid during year. Give Commission authorization numbers and dates.

13. If the respondent has pledged any of its long-term debt securities give particulars (details) in a footnote including name of pledgee and purpose of the pledge.

14. If the respondent has any long-term debt securities which have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.

15. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in column (i). Explain in a footnote any difference between the total of column (i) and the total of Account 427, interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.

16. Give particulars (details) concerning any long-term debt authorized by a regulatory commission but not yet issued.

| Nominal Date of Issue<br>(d) | Date of Maturity<br>(e) | AMORTIZATION PERIOD |                | Outstanding<br>(Total amount outstanding without reduction for amounts held by respondent)<br>(h) | Interest for Year Amount<br>(i) | Line No. |
|------------------------------|-------------------------|---------------------|----------------|---------------------------------------------------------------------------------------------------|---------------------------------|----------|
|                              |                         | Date From<br>(f)    | Date To<br>(g) |                                                                                                   |                                 |          |
|                              |                         |                     |                |                                                                                                   |                                 | 1        |
| 07/29/2011                   | 12/01/2021              | 12/01/2011          | 11/30/2021     | 140,000,000                                                                                       | 6,482,000                       | 2        |
|                              |                         |                     |                |                                                                                                   |                                 | 3        |
| 10/01/2007                   | 08/20/2022              | 01/01/2007          | 08/20/2022     | 30,000,000                                                                                        | 1,845,000                       | 4        |
|                              |                         |                     |                |                                                                                                   |                                 | 5        |
| 08/20/2007                   | 08/20/2027              | 8/20/2007           | 8/20/2027      | 42,000,000                                                                                        | 2,675,400                       | 6        |
| &10/1/2007                   |                         |                     |                |                                                                                                   |                                 | 7        |
| 10/10/2019                   | 10/10/2029              | 10/30/2019          | 10/30/2029     | 10,000,000                                                                                        | 57,556                          | 8        |
|                              |                         |                     |                |                                                                                                   |                                 | 9        |
| 02/27/2014                   | 02/27/2029              | 02/27/2014          | 02/27/2029     | 60,000,000                                                                                        | 2,808,000                       | 10       |
|                              |                         |                     |                |                                                                                                   |                                 | 11       |
| 8/20/2007&                   | 08/20/1937              | 08/20/2007          | 08/20/1937     | 50,000,000                                                                                        | 3,235,000                       | 12       |
| 10/01/2007                   |                         |                     |                |                                                                                                   |                                 | 13       |
| 10/10/2019                   | 10/10/2039              | 10/30/2019          | 10/30/2039     | 26,000,000                                                                                        | 203,378                         | 14       |
|                              |                         |                     |                |                                                                                                   |                                 | 15       |
| 02/27/2014                   | 02/27/2044              | 02/27/2014          | 02/27/2044     | 90,000,000                                                                                        | 4,923,000                       | 16       |
|                              |                         |                     |                |                                                                                                   |                                 | 17       |
| 02/07/2018                   | 02/07/2048              | 02/07/2018          | 02/07/2048     | 100,000,000                                                                                       | 4,070,000                       | 18       |
|                              |                         |                     |                |                                                                                                   |                                 | 19       |
| 10/10/2019                   | 10/10/2049              | 10/30/2019          | 10/30/2049     | 64,000,000                                                                                        | 543,289                         | 20       |
|                              |                         |                     |                |                                                                                                   |                                 | 21       |
|                              |                         |                     |                |                                                                                                   |                                 | 22       |
|                              |                         |                     |                |                                                                                                   |                                 | 23       |
|                              |                         |                     |                |                                                                                                   |                                 | 24       |
|                              |                         |                     |                |                                                                                                   |                                 | 25       |
|                              |                         |                     |                |                                                                                                   |                                 | 26       |
|                              |                         |                     |                |                                                                                                   |                                 | 27       |
|                              |                         |                     |                |                                                                                                   |                                 | 28       |
|                              |                         |                     |                |                                                                                                   |                                 | 29       |
|                              |                         |                     |                |                                                                                                   |                                 | 30       |
|                              |                         |                     |                |                                                                                                   |                                 | 31       |
|                              |                         |                     |                |                                                                                                   |                                 | 32       |
|                              |                         |                     |                | 612,000,000                                                                                       | 26,842,623                      | 33       |

|                                                |                                                                                                                       |                                              |                                  |
|------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------|----------------------------------|
| Name of Respondent<br>Otter Tail Power Company | This Report is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>2019/Q4 |
| FOOTNOTE DATA                                  |                                                                                                                       |                                              |                                  |

|                                                                                                                                                          |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Schedule Page: 256 Line No.: 8 Column: a</b>                                                                                                          |
| July 19, 2019 - Docket No. E015/S-19-299                                                                                                                 |
| <b>Schedule Page: 256 Line No.: 14 Column: a</b>                                                                                                         |
| July 19, 2019 - Docket No. E015/S-19-299                                                                                                                 |
| <b>Schedule Page: 256 Line No.: 20 Column: a</b>                                                                                                         |
| July 19, 2019 - Docket No. E015/S-19-299                                                                                                                 |
| <b>Schedule Page: 256 Line No.: 32 Column: a</b>                                                                                                         |
| Instruction 9 - Unamortized debt expense remaining on bonds retired early are transferred to Account 189 and amortized over remaining life of the bonds. |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                               |                                                                                                                       |                                              |                                         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------|-----------------------------------------|
| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                               | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |
| RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                               |                                                                                                                       |                                              |                                         |
| <p>1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.</p> <p>2. If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group member, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among the group members.</p> <p>3. A substitute page, designed to meet a particular need of a company, may be used as long as the data is consistent and meets the requirements of the above instructions. For electronic reporting purposes complete Line 27 and provide the substitute Page in the context of a footnote.</p> |                                                               |                                                                                                                       |                                              |                                         |
| Line No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Particulars (Details)<br>(a)                                  | Amount<br>(b)                                                                                                         |                                              |                                         |
| 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Net Income for the Year (Page 117)                            | 59,045,771                                                                                                            |                                              |                                         |
| 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                               |                                                                                                                       |                                              |                                         |
| 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                               |                                                                                                                       |                                              |                                         |
| 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Taxable Income Not Reported on Books                          |                                                                                                                       |                                              |                                         |
| 5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Interest Capitalized on Construction                          | 2,682,579                                                                                                             |                                              |                                         |
| 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Net Gain from Property Retirements                            | 1,341,551                                                                                                             |                                              |                                         |
| 7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Miscellaneous Taxable Items                                   | 6,000                                                                                                                 |                                              |                                         |
| 8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Conservation Improvement Programs                             | -319,245                                                                                                              |                                              |                                         |
| 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Deductions Recorded on Books Not Deducted for Return          |                                                                                                                       |                                              |                                         |
| 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Add Back Federal Income Taxes (Includes Deferreds & ITC Adj.) | 12,866,552                                                                                                            |                                              |                                         |
| 11                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Provision for Reserves                                        | 9,559,978                                                                                                             |                                              |                                         |
| 12                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Miscellaneous Unallowed Deductions                            | 29,296,333                                                                                                            |                                              |                                         |
| 13                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                               |                                                                                                                       |                                              |                                         |
| 14                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Income Recorded on Books Not Included in Return               |                                                                                                                       |                                              |                                         |
| 15                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Tax Exempt Interest                                           |                                                                                                                       |                                              |                                         |
| 16                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Equity in Earnings of Subsidiaries                            |                                                                                                                       |                                              |                                         |
| 17                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Wind Rider Revenue                                            | 5,742,621                                                                                                             |                                              |                                         |
| 18                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                               |                                                                                                                       |                                              |                                         |
| 19                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Deductions on Return Not Charged Against Book Income          |                                                                                                                       |                                              |                                         |
| 20                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Excess Tax Depreciation Over Book Depreciation                | -1,603,265                                                                                                            |                                              |                                         |
| 21                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Removal Costs                                                 | 2,919,698                                                                                                             |                                              |                                         |
| 22                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Charges to Reserves                                           | 6,348,991                                                                                                             |                                              |                                         |
| 23                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Leveraged ESOP Deduction                                      | 1,432,342                                                                                                             |                                              |                                         |
| 24                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Sec 481(a) Cap to Repair Basis Adjustments                    |                                                                                                                       |                                              |                                         |
| 25                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Miscellaneous Other Deductions                                | 27,917,345                                                                                                            |                                              |                                         |
| 26                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                               |                                                                                                                       |                                              |                                         |
| 27                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Federal Tax Net Income                                        | 71,721,747                                                                                                            |                                              |                                         |
| 28                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Show Computation of Tax:                                      |                                                                                                                       |                                              |                                         |
| 29                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Federal Tax (LINE 27 X 21%)                                   | 15,061,567                                                                                                            |                                              |                                         |
| 30                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Tax (Credits) and Adjustments                                 | -11,297,695                                                                                                           |                                              |                                         |
| 31                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Prior Period Adjustments                                      | 491,803                                                                                                               |                                              |                                         |
| 32                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Transfer Net Operating Loss to Deferred Carryforward          |                                                                                                                       |                                              |                                         |
| 33                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Total Federal Income Tax                                      | 4,255,675                                                                                                             |                                              |                                         |
| 34                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                               |                                                                                                                       |                                              |                                         |
| 35                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                               |                                                                                                                       |                                              |                                         |
| 36                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                               |                                                                                                                       |                                              |                                         |
| 37                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                               |                                                                                                                       |                                              |                                         |
| 38                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                               |                                                                                                                       |                                              |                                         |
| 39                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                               |                                                                                                                       |                                              |                                         |
| 40                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                               |                                                                                                                       |                                              |                                         |
| 41                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                               |                                                                                                                       |                                              |                                         |
| 42                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                               |                                                                                                                       |                                              |                                         |
| 43                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                               |                                                                                                                       |                                              |                                         |
| 44                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                               |                                                                                                                       |                                              |                                         |

|                          |                                                                                                                       |                                              |                                  |
|--------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------|----------------------------------|
| Name of Respondent       | This Report is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>2019/Q4 |
| Otter Tail Power Company |                                                                                                                       |                                              |                                  |
| FOOTNOTE DATA            |                                                                                                                       |                                              |                                  |

**Schedule Page: 261 Line No.: 44 Column: a**

**RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME  
FOR FEDERAL INCOME TAXES (Continued)**

Otter Tail Power Company is a member of an affiliated group which will file a consolidated Federal Income Tax Return for the year 2019. The other members of the affiliated group and their respective federal income tax provisions are as follows:

|                                    |                 |
|------------------------------------|-----------------|
| Otter Tail Corporation             | (2,291,349)     |
| Varistar Corporation               | 0               |
| IMD, Inc.                          | 0               |
| BTD Manufacturing, Inc.            | 734,522         |
| Northern Pipe Products, Inc.       | 1,884,626       |
| Vinyltech Corporation              | 3,061,705       |
| Otter Tail Energy Services Company | 0               |
| T. O. Plastics, Inc.               | (230,116)       |
| Shrco, Inc.                        | (63,499)        |
| Otter Tail Assurance Limited       | 191,325         |
| AEV, Inc.                          | 0               |
| ASI, Inc.                          | 0               |
| Total                              | <hr/> 3,287,214 |

The consolidated federal income tax liability is allocated on a separate return basis pursuant to the current tax sharing agreements between Otter Tail Corporation and the subsidiaries.

| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                           | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |                                                  | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |                    |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|----------------------------------------------|-----------------------------------------|--------------------|
| TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                           |                                                                                                                       |                                                  |                                              |                                         |                    |
| <p>1. Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual, or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.</p> <p>2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes.) Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.</p> <p>3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to proportions of prepaid taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.</p> <p>4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.</p> |                                           |                                                                                                                       |                                                  |                                              |                                         |                    |
| Line No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Kind of Tax<br>(See instruction 5)<br>(a) | BALANCE AT BEGINNING OF YEAR                                                                                          |                                                  | Taxes Charged During Year<br>(d)             | Taxes Paid During Year<br>(e)           | Adjustments<br>(f) |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                           | Taxes Accrued<br>(Account 236)<br>(b)                                                                                 | Prepaid Taxes<br>(Include in Account 165)<br>(c) |                                              |                                         |                    |
| 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | FEDERAL                                   |                                                                                                                       |                                                  |                                              |                                         |                    |
| 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Income                                    | 2,517,141                                                                                                             |                                                  | 15,055,568                                   | 13,808,816                              |                    |
| 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Unemployment                              | 680                                                                                                                   |                                                  | 35,633                                       | 35,786                                  |                    |
| 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | FICA                                      |                                                                                                                       |                                                  | 5,090,097                                    | 5,090,097                               |                    |
| 5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                           |                                                                                                                       |                                                  |                                              |                                         |                    |
| 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | MINNESOTA                                 |                                                                                                                       |                                                  |                                              |                                         |                    |
| 7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Property                                  | 9,898,688                                                                                                             |                                                  | 9,818,448                                    | 9,650,376                               |                    |
| 8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Income                                    | 1,020,979                                                                                                             |                                                  | 1,617,698                                    | 1,020,979                               |                    |
| 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Unemployment                              | 942                                                                                                                   |                                                  | 35,909                                       | 35,889                                  |                    |
| 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                           |                                                                                                                       |                                                  |                                              |                                         |                    |
| 11                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | NORTH DAKOTA                              |                                                                                                                       |                                                  |                                              |                                         |                    |
| 12                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Property                                  | 2,987,057                                                                                                             |                                                  | 3,021,060                                    | 2,934,095                               |                    |
| 13                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Income                                    |                                                                                                                       |                                                  | 1,155,579                                    | 1,155,579                               |                    |
| 14                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Unemployment                              | 849                                                                                                                   |                                                  | 20,303                                       | 20,579                                  |                    |
| 15                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Coal Conversion                           | 188,363                                                                                                               |                                                  | 679,423                                      | 679,105                                 |                    |
| 16                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                           |                                                                                                                       |                                                  |                                              |                                         |                    |
| 17                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | SOUTH DAKOTA                              |                                                                                                                       |                                                  |                                              |                                         |                    |
| 18                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Property                                  | 2,419,087                                                                                                             |                                                  | 2,265,792                                    | 2,401,543                               |                    |
| 19                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Unemployment                              | 186                                                                                                                   |                                                  | 6,000                                        | 6,071                                   |                    |
| 20                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                           |                                                                                                                       |                                                  |                                              |                                         |                    |
| 21                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | OTHER STATES                              |                                                                                                                       |                                                  |                                              |                                         |                    |
| 22                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Income                                    |                                                                                                                       |                                                  |                                              |                                         |                    |
| 23                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Railcar                                   | 8,409                                                                                                                 |                                                  | 22,656                                       | 21,554                                  |                    |
| 24                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                           |                                                                                                                       |                                                  |                                              |                                         |                    |
| 25                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                           |                                                                                                                       |                                                  |                                              |                                         |                    |
| 26                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                           |                                                                                                                       |                                                  |                                              |                                         |                    |
| 27                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                           |                                                                                                                       |                                                  |                                              |                                         |                    |
| 28                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                           |                                                                                                                       |                                                  |                                              |                                         |                    |
| 29                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                           |                                                                                                                       |                                                  |                                              |                                         |                    |
| 30                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                           |                                                                                                                       |                                                  |                                              |                                         |                    |
| 31                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                           |                                                                                                                       |                                                  |                                              |                                         |                    |
| 32                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                           |                                                                                                                       |                                                  |                                              |                                         |                    |
| 33                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                           |                                                                                                                       |                                                  |                                              |                                         |                    |
| 34                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                           |                                                                                                                       |                                                  |                                              |                                         |                    |
| 35                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                           |                                                                                                                       |                                                  |                                              |                                         |                    |
| 36                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                           |                                                                                                                       |                                                  |                                              |                                         |                    |
| 37                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                           |                                                                                                                       |                                                  |                                              |                                         |                    |
| 38                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                           |                                                                                                                       |                                                  |                                              |                                         |                    |
| 39                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                           |                                                                                                                       |                                                  |                                              |                                         |                    |
| 40                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                           |                                                                                                                       |                                                  |                                              |                                         |                    |
| 41                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | TOTAL                                     | 19,042,381                                                                                                            |                                                  | 38,824,166                                   | 36,860,469                              |                    |

| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                          | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |                                         | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019   | Year/Period of Report<br>End of 2019/Q4 |          |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|-----------------------------------------|------------------------------------------------|-----------------------------------------|----------|
| TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                          |                                                                                                                       |                                         |                                                |                                         |          |
| <p>5. If any tax (exclude Federal and State income taxes)- covers more then one year, show the required information separately for each tax year, identifying the year in column (a).</p> <p>6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a foot- note. Designate debit adjustments by parentheses.</p> <p>7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.</p> <p>8. Report in columns (i) through (l) how the taxes were distributed. Report in column (l) only the amounts charged to Accounts 408.1 and 409.1 pertaining to electric operations. Report in column (l) the amounts charged to Accounts 408.1 and 109.1 pertaining to other utility departments and amounts charged to Accounts 408.2 and 409.2. Also shown in column (l) the taxes charged to utility plant or other balance sheet accounts.</p> <p>9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.</p> |                                          |                                                                                                                       |                                         |                                                |                                         |          |
| BALANCE AT END OF YEAR                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                          | DISTRIBUTION OF TAXES CHARGED                                                                                         |                                         |                                                |                                         | Line No. |
| (Taxes accrued Account 236) (g)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Prepaid Taxes (Incl. in Account 165) (h) | Electric (Account 408.1, 409.1) (i)                                                                                   | Extraordinary Items (Account 409.3) (j) | Adjustments to Ret. Earnings (Account 439) (k) | Other (l)                               |          |
| 3,763,893                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                          | 3,150,591                                                                                                             |                                         |                                                | 11,904,977                              | 1        |
| 527                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                          |                                                                                                                       |                                         |                                                | 35,633                                  | 2        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                          |                                                                                                                       |                                         |                                                | 5,090,097                               | 3        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                          |                                                                                                                       |                                         |                                                |                                         | 4        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                          |                                                                                                                       |                                         |                                                |                                         | 5        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                          |                                                                                                                       |                                         |                                                |                                         | 6        |
| 10,066,760                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                          | 9,818,448                                                                                                             |                                         |                                                |                                         | 7        |
| 1,617,698                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                          | 882,606                                                                                                               |                                         |                                                | 735,092                                 | 8        |
| 961                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                          |                                                                                                                       |                                         |                                                | 35,909                                  | 9        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                          |                                                                                                                       |                                         |                                                |                                         | 10       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                          |                                                                                                                       |                                         |                                                |                                         | 11       |
| 3,074,022                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                          | 3,013,212                                                                                                             |                                         |                                                | 7,848                                   | 12       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                          | -1,985,295                                                                                                            |                                         |                                                | 3,140,874                               | 13       |
| 574                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                          |                                                                                                                       |                                         |                                                | 20,303                                  | 14       |
| 188,681                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                          | 679,423                                                                                                               |                                         |                                                |                                         | 15       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                          |                                                                                                                       |                                         |                                                |                                         | 16       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                          |                                                                                                                       |                                         |                                                |                                         | 17       |
| 2,283,336                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                          | 2,265,792                                                                                                             |                                         |                                                |                                         | 18       |
| 115                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                          |                                                                                                                       |                                         |                                                | 6,000                                   | 19       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                          |                                                                                                                       |                                         |                                                |                                         | 20       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                          |                                                                                                                       |                                         |                                                |                                         | 21       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                          |                                                                                                                       |                                         |                                                |                                         | 22       |
| 9,510                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                          |                                                                                                                       |                                         |                                                | 22,656                                  | 23       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                          |                                                                                                                       |                                         |                                                |                                         | 24       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                          |                                                                                                                       |                                         |                                                |                                         | 25       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                          |                                                                                                                       |                                         |                                                |                                         | 26       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                          |                                                                                                                       |                                         |                                                |                                         | 27       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                          |                                                                                                                       |                                         |                                                |                                         | 28       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                          |                                                                                                                       |                                         |                                                |                                         | 29       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                          |                                                                                                                       |                                         |                                                |                                         | 30       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                          |                                                                                                                       |                                         |                                                |                                         | 31       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                          |                                                                                                                       |                                         |                                                |                                         | 32       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                          |                                                                                                                       |                                         |                                                |                                         | 33       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                          |                                                                                                                       |                                         |                                                |                                         | 34       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                          |                                                                                                                       |                                         |                                                |                                         | 35       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                          |                                                                                                                       |                                         |                                                |                                         | 36       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                          |                                                                                                                       |                                         |                                                |                                         | 37       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                          |                                                                                                                       |                                         |                                                |                                         | 38       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                          |                                                                                                                       |                                         |                                                |                                         | 39       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                          |                                                                                                                       |                                         |                                                |                                         | 40       |
| 21,006,077                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                          | 17,824,777                                                                                                            |                                         |                                                | 20,999,389                              | 41       |



|                                                |                                                                                                                       |                                              |                                  |
|------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------|----------------------------------|
| Name of Respondent<br>Otter Tail Power Company | This Report is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>2019/Q4 |
| FOOTNOTE DATA                                  |                                                                                                                       |                                              |                                  |

|                           |                     |                  |            |
|---------------------------|---------------------|------------------|------------|
| <b>Schedule Page: 262</b> | <b>Line No.: 1</b>  | <b>Column: I</b> |            |
| Account 409.2:            | 1,105,084           | Other            | 10,799,893 |
| <b>Schedule Page: 262</b> | <b>Line No.: 2</b>  | <b>Column: I</b> |            |
| Account 184:              | 35,633              |                  |            |
| <b>Schedule Page: 262</b> | <b>Line No.: 3</b>  | <b>Column: I</b> |            |
| Account 184:              | 5,090,097           |                  |            |
| <b>Schedule Page: 262</b> | <b>Line No.: 8</b>  | <b>Column: I</b> |            |
| Account 409.2:            | 277,168             | Other            | 457,924    |
| <b>Schedule Page: 262</b> | <b>Line No.: 9</b>  | <b>Column: I</b> |            |
| Account 184:              | 35,909              | Other            |            |
| <b>Schedule Page: 262</b> | <b>Line No.: 12</b> | <b>Column: I</b> |            |
| Account 408.2:            | 7,848               |                  |            |
| <b>Schedule Page: 262</b> | <b>Line No.: 13</b> | <b>Column: I</b> |            |
| Account 409.2:            | 87,038              | Other            | 3,053,836  |
| <b>Schedule Page: 262</b> | <b>Line No.: 14</b> | <b>Column: I</b> |            |
| Account 184:              | 20,303              |                  |            |
| <b>Schedule Page: 262</b> | <b>Line No.: 19</b> | <b>Column: I</b> |            |
| Account 184:              | 6,000               |                  |            |
| <b>Schedule Page: 262</b> | <b>Line No.: 23</b> | <b>Column: I</b> |            |
| Account 151:              | 22,656              |                  |            |

| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                     |                                                            | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |                   | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 |                                      | Year/Period of Report<br>End of 2019/Q4 |                 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|-------------------|----------------------------------------------|--------------------------------------|-----------------------------------------|-----------------|
| ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255)                                                                                                                                                                                                                                                                          |                                                            |                                                                                                                       |                   |                                              |                                      |                                         |                 |
| Report below information applicable to Account 255. Where appropriate, segregate the balances and transactions by utility and nonutility operations. Explain by footnote any correction adjustments to the account balance shown in column (g). Include in column (i) the average period over which the tax credits are amortized. |                                                            |                                                                                                                       |                   |                                              |                                      |                                         |                 |
| Line No.                                                                                                                                                                                                                                                                                                                           | Account Subdivisions (a)                                   | Balance at Beginning of Year (b)                                                                                      | Deferred for Year |                                              | Allocations to Current Year's Income |                                         | Adjustments (g) |
|                                                                                                                                                                                                                                                                                                                                    |                                                            |                                                                                                                       | Account No. (c)   | Amount (d)                                   | Account No. (e)                      | Amount (f)                              |                 |
| 1                                                                                                                                                                                                                                                                                                                                  | Electric Utility                                           |                                                                                                                       |                   |                                              |                                      |                                         |                 |
| 2                                                                                                                                                                                                                                                                                                                                  | 3%                                                         | 19,925,702                                                                                                            | 190               |                                              | 411.4                                | 1,306,824                               |                 |
| 3                                                                                                                                                                                                                                                                                                                                  | 4%                                                         |                                                                                                                       |                   |                                              |                                      |                                         |                 |
| 4                                                                                                                                                                                                                                                                                                                                  | 7%                                                         |                                                                                                                       |                   |                                              |                                      |                                         |                 |
| 5                                                                                                                                                                                                                                                                                                                                  | 10%                                                        | 47,957                                                                                                                | 411.4             |                                              | 411.4                                | 41,100                                  |                 |
| 6                                                                                                                                                                                                                                                                                                                                  |                                                            |                                                                                                                       |                   |                                              |                                      |                                         |                 |
| 7                                                                                                                                                                                                                                                                                                                                  |                                                            |                                                                                                                       |                   |                                              |                                      |                                         |                 |
| 8                                                                                                                                                                                                                                                                                                                                  | TOTAL                                                      | 19,973,659                                                                                                            |                   |                                              |                                      | 1,347,924                               |                 |
| 9                                                                                                                                                                                                                                                                                                                                  | Other (List separately and show 3%, 4%, 7%, 10% and TOTAL) |                                                                                                                       |                   |                                              |                                      |                                         |                 |
| 10                                                                                                                                                                                                                                                                                                                                 |                                                            |                                                                                                                       |                   |                                              |                                      |                                         |                 |
| 11                                                                                                                                                                                                                                                                                                                                 |                                                            |                                                                                                                       |                   |                                              |                                      |                                         |                 |
| 12                                                                                                                                                                                                                                                                                                                                 |                                                            |                                                                                                                       |                   |                                              |                                      |                                         |                 |
| 13                                                                                                                                                                                                                                                                                                                                 |                                                            |                                                                                                                       |                   |                                              |                                      |                                         |                 |
| 14                                                                                                                                                                                                                                                                                                                                 |                                                            |                                                                                                                       |                   |                                              |                                      |                                         |                 |
| 15                                                                                                                                                                                                                                                                                                                                 |                                                            |                                                                                                                       |                   |                                              |                                      |                                         |                 |
| 16                                                                                                                                                                                                                                                                                                                                 |                                                            |                                                                                                                       |                   |                                              |                                      |                                         |                 |
| 17                                                                                                                                                                                                                                                                                                                                 |                                                            |                                                                                                                       |                   |                                              |                                      |                                         |                 |
| 18                                                                                                                                                                                                                                                                                                                                 |                                                            |                                                                                                                       |                   |                                              |                                      |                                         |                 |
| 19                                                                                                                                                                                                                                                                                                                                 |                                                            |                                                                                                                       |                   |                                              |                                      |                                         |                 |
| 20                                                                                                                                                                                                                                                                                                                                 |                                                            |                                                                                                                       |                   |                                              |                                      |                                         |                 |
| 21                                                                                                                                                                                                                                                                                                                                 |                                                            |                                                                                                                       |                   |                                              |                                      |                                         |                 |
| 22                                                                                                                                                                                                                                                                                                                                 |                                                            |                                                                                                                       |                   |                                              |                                      |                                         |                 |
| 23                                                                                                                                                                                                                                                                                                                                 |                                                            |                                                                                                                       |                   |                                              |                                      |                                         |                 |
| 24                                                                                                                                                                                                                                                                                                                                 |                                                            |                                                                                                                       |                   |                                              |                                      |                                         |                 |
| 25                                                                                                                                                                                                                                                                                                                                 |                                                            |                                                                                                                       |                   |                                              |                                      |                                         |                 |
| 26                                                                                                                                                                                                                                                                                                                                 |                                                            |                                                                                                                       |                   |                                              |                                      |                                         |                 |
| 27                                                                                                                                                                                                                                                                                                                                 |                                                            |                                                                                                                       |                   |                                              |                                      |                                         |                 |
| 28                                                                                                                                                                                                                                                                                                                                 |                                                            |                                                                                                                       |                   |                                              |                                      |                                         |                 |
| 30                                                                                                                                                                                                                                                                                                                                 |                                                            |                                                                                                                       |                   |                                              |                                      |                                         |                 |
| 31                                                                                                                                                                                                                                                                                                                                 |                                                            |                                                                                                                       |                   |                                              |                                      |                                         |                 |
| 32                                                                                                                                                                                                                                                                                                                                 |                                                            |                                                                                                                       |                   |                                              |                                      |                                         |                 |
| 33                                                                                                                                                                                                                                                                                                                                 |                                                            |                                                                                                                       |                   |                                              |                                      |                                         |                 |
| 34                                                                                                                                                                                                                                                                                                                                 |                                                            |                                                                                                                       |                   |                                              |                                      |                                         |                 |
| 35                                                                                                                                                                                                                                                                                                                                 |                                                            |                                                                                                                       |                   |                                              |                                      |                                         |                 |
| 36                                                                                                                                                                                                                                                                                                                                 |                                                            |                                                                                                                       |                   |                                              |                                      |                                         |                 |
| 37                                                                                                                                                                                                                                                                                                                                 |                                                            |                                                                                                                       |                   |                                              |                                      |                                         |                 |
| 38                                                                                                                                                                                                                                                                                                                                 |                                                            |                                                                                                                       |                   |                                              |                                      |                                         |                 |
| 39                                                                                                                                                                                                                                                                                                                                 |                                                            |                                                                                                                       |                   |                                              |                                      |                                         |                 |
| 40                                                                                                                                                                                                                                                                                                                                 |                                                            |                                                                                                                       |                   |                                              |                                      |                                         |                 |
| 41                                                                                                                                                                                                                                                                                                                                 |                                                            |                                                                                                                       |                   |                                              |                                      |                                         |                 |
| 42                                                                                                                                                                                                                                                                                                                                 |                                                            |                                                                                                                       |                   |                                              |                                      |                                         |                 |
| 43                                                                                                                                                                                                                                                                                                                                 |                                                            |                                                                                                                       |                   |                                              |                                      |                                         |                 |
| 44                                                                                                                                                                                                                                                                                                                                 |                                                            |                                                                                                                       |                   |                                              |                                      |                                         |                 |
| 45                                                                                                                                                                                                                                                                                                                                 |                                                            |                                                                                                                       |                   |                                              |                                      |                                         |                 |
| 46                                                                                                                                                                                                                                                                                                                                 |                                                            |                                                                                                                       |                   |                                              |                                      |                                         |                 |
| 47                                                                                                                                                                                                                                                                                                                                 |                                                            |                                                                                                                       |                   |                                              |                                      |                                         |                 |
| 48                                                                                                                                                                                                                                                                                                                                 |                                                            |                                                                                                                       |                   |                                              |                                      |                                         |                 |

|                                                                       |                                                     |                                                                                                                       |  |                                              |                                         |
|-----------------------------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|--|----------------------------------------------|-----------------------------------------|
| Name of Respondent<br>Otter Tail Power Company                        |                                                     | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |  | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |
| ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255) (continued) |                                                     |                                                                                                                       |  |                                              |                                         |
| Balance at End<br>of Year<br>(h)                                      | Average Period<br>of Allocation<br>to Income<br>(i) | ADJUSTMENT EXPLANATION                                                                                                |  |                                              | Line<br>No.                             |
|                                                                       |                                                     |                                                                                                                       |  |                                              | 1                                       |
| 18,618,878                                                            |                                                     |                                                                                                                       |  |                                              | 2                                       |
|                                                                       |                                                     |                                                                                                                       |  |                                              | 3                                       |
|                                                                       |                                                     |                                                                                                                       |  |                                              | 4                                       |
| 6,857                                                                 |                                                     |                                                                                                                       |  |                                              | 5                                       |
|                                                                       |                                                     |                                                                                                                       |  |                                              | 6                                       |
|                                                                       |                                                     |                                                                                                                       |  |                                              | 7                                       |
| 18,625,735                                                            |                                                     |                                                                                                                       |  |                                              | 8                                       |
|                                                                       |                                                     |                                                                                                                       |  |                                              | 9                                       |
|                                                                       |                                                     |                                                                                                                       |  |                                              | 10                                      |
|                                                                       |                                                     |                                                                                                                       |  |                                              | 11                                      |
|                                                                       |                                                     |                                                                                                                       |  |                                              | 12                                      |
|                                                                       |                                                     |                                                                                                                       |  |                                              | 13                                      |
|                                                                       |                                                     |                                                                                                                       |  |                                              | 14                                      |
|                                                                       |                                                     |                                                                                                                       |  |                                              | 15                                      |
|                                                                       |                                                     |                                                                                                                       |  |                                              | 16                                      |
|                                                                       |                                                     |                                                                                                                       |  |                                              | 17                                      |
|                                                                       |                                                     |                                                                                                                       |  |                                              | 18                                      |
|                                                                       |                                                     |                                                                                                                       |  |                                              | 19                                      |
|                                                                       |                                                     |                                                                                                                       |  |                                              | 20                                      |
|                                                                       |                                                     |                                                                                                                       |  |                                              | 21                                      |
|                                                                       |                                                     |                                                                                                                       |  |                                              | 22                                      |
|                                                                       |                                                     |                                                                                                                       |  |                                              | 23                                      |
|                                                                       |                                                     |                                                                                                                       |  |                                              | 24                                      |
|                                                                       |                                                     |                                                                                                                       |  |                                              | 25                                      |
|                                                                       |                                                     |                                                                                                                       |  |                                              | 26                                      |
|                                                                       |                                                     |                                                                                                                       |  |                                              | 27                                      |
|                                                                       |                                                     |                                                                                                                       |  |                                              | 28                                      |
|                                                                       |                                                     |                                                                                                                       |  |                                              | 30                                      |
|                                                                       |                                                     |                                                                                                                       |  |                                              | 31                                      |
|                                                                       |                                                     |                                                                                                                       |  |                                              | 32                                      |
|                                                                       |                                                     |                                                                                                                       |  |                                              | 33                                      |
|                                                                       |                                                     |                                                                                                                       |  |                                              | 34                                      |
|                                                                       |                                                     |                                                                                                                       |  |                                              | 35                                      |
|                                                                       |                                                     |                                                                                                                       |  |                                              | 36                                      |
|                                                                       |                                                     |                                                                                                                       |  |                                              | 37                                      |
|                                                                       |                                                     |                                                                                                                       |  |                                              | 38                                      |
|                                                                       |                                                     |                                                                                                                       |  |                                              | 39                                      |
|                                                                       |                                                     |                                                                                                                       |  |                                              | 40                                      |
|                                                                       |                                                     |                                                                                                                       |  |                                              | 41                                      |
|                                                                       |                                                     |                                                                                                                       |  |                                              | 42                                      |
|                                                                       |                                                     |                                                                                                                       |  |                                              | 43                                      |
|                                                                       |                                                     |                                                                                                                       |  |                                              | 44                                      |
|                                                                       |                                                     |                                                                                                                       |  |                                              | 45                                      |
|                                                                       |                                                     |                                                                                                                       |  |                                              | 46                                      |
|                                                                       |                                                     |                                                                                                                       |  |                                              | 47                                      |
|                                                                       |                                                     |                                                                                                                       |  |                                              | 48                                      |

| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                            |                                               | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |                       | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |                               |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|-----------------------------------------|-------------------------------|
| OTHER DEFERRED CREDITS (Account 253)                                                                                                                                                                                                                                                                                      |                                               |                                                                                                                       |                       |                                              |                                         |                               |
| 1. Report below the particulars (details) called for concerning other deferred credits.<br>2. For any deferred credit being amortized, show the period of amortization.<br>3. Minor items (5% of the Balance End of Year for Account 253 or amounts less than \$100,000, whichever is greater) may be grouped by classes. |                                               |                                                                                                                       |                       |                                              |                                         |                               |
| Line No.                                                                                                                                                                                                                                                                                                                  | Description and Other Deferred Credits<br>(a) | Balance at Beginning of Year<br>(b)                                                                                   | DEBITS                |                                              | Credits<br>(e)                          | Balance at End of Year<br>(f) |
|                                                                                                                                                                                                                                                                                                                           |                                               |                                                                                                                       | Contra Account<br>(c) | Amount<br>(d)                                |                                         |                               |
| 1                                                                                                                                                                                                                                                                                                                         | Prepaid Electric Revenue                      | 1,118,564                                                                                                             | 456                   | 300,401                                      | 2,063,414                               | 2,881,577                     |
| 2                                                                                                                                                                                                                                                                                                                         | Asset Reclass                                 | 217,582                                                                                                               | 184                   | 214,369                                      | 185,805                                 | 189,018                       |
| 3                                                                                                                                                                                                                                                                                                                         | ASU 842 Leases                                |                                                                                                                       | 173                   |                                              | 266,532                                 | 266,532                       |
| 4                                                                                                                                                                                                                                                                                                                         | Discontinued Mark-to-Market                   | 743,219                                                                                                               | 182.3                 | 743,219                                      |                                         |                               |
| 5                                                                                                                                                                                                                                                                                                                         | Forward Energy Contracts                      |                                                                                                                       |                       |                                              |                                         |                               |
| 6                                                                                                                                                                                                                                                                                                                         |                                               |                                                                                                                       |                       |                                              |                                         |                               |
| 7                                                                                                                                                                                                                                                                                                                         |                                               |                                                                                                                       |                       |                                              |                                         |                               |
| 8                                                                                                                                                                                                                                                                                                                         |                                               |                                                                                                                       |                       |                                              |                                         |                               |
| 9                                                                                                                                                                                                                                                                                                                         |                                               |                                                                                                                       |                       |                                              |                                         |                               |
| 10                                                                                                                                                                                                                                                                                                                        |                                               |                                                                                                                       |                       |                                              |                                         |                               |
| 11                                                                                                                                                                                                                                                                                                                        |                                               |                                                                                                                       |                       |                                              |                                         |                               |
| 12                                                                                                                                                                                                                                                                                                                        |                                               |                                                                                                                       |                       |                                              |                                         |                               |
| 13                                                                                                                                                                                                                                                                                                                        |                                               |                                                                                                                       |                       |                                              |                                         |                               |
| 14                                                                                                                                                                                                                                                                                                                        |                                               |                                                                                                                       |                       |                                              |                                         |                               |
| 15                                                                                                                                                                                                                                                                                                                        |                                               |                                                                                                                       |                       |                                              |                                         |                               |
| 16                                                                                                                                                                                                                                                                                                                        |                                               |                                                                                                                       |                       |                                              |                                         |                               |
| 17                                                                                                                                                                                                                                                                                                                        |                                               |                                                                                                                       |                       |                                              |                                         |                               |
| 18                                                                                                                                                                                                                                                                                                                        |                                               |                                                                                                                       |                       |                                              |                                         |                               |
| 19                                                                                                                                                                                                                                                                                                                        |                                               |                                                                                                                       |                       |                                              |                                         |                               |
| 20                                                                                                                                                                                                                                                                                                                        |                                               |                                                                                                                       |                       |                                              |                                         |                               |
| 21                                                                                                                                                                                                                                                                                                                        |                                               |                                                                                                                       |                       |                                              |                                         |                               |
| 22                                                                                                                                                                                                                                                                                                                        |                                               |                                                                                                                       |                       |                                              |                                         |                               |
| 23                                                                                                                                                                                                                                                                                                                        |                                               |                                                                                                                       |                       |                                              |                                         |                               |
| 24                                                                                                                                                                                                                                                                                                                        |                                               |                                                                                                                       |                       |                                              |                                         |                               |
| 25                                                                                                                                                                                                                                                                                                                        |                                               |                                                                                                                       |                       |                                              |                                         |                               |
| 26                                                                                                                                                                                                                                                                                                                        |                                               |                                                                                                                       |                       |                                              |                                         |                               |
| 27                                                                                                                                                                                                                                                                                                                        |                                               |                                                                                                                       |                       |                                              |                                         |                               |
| 28                                                                                                                                                                                                                                                                                                                        |                                               |                                                                                                                       |                       |                                              |                                         |                               |
| 29                                                                                                                                                                                                                                                                                                                        |                                               |                                                                                                                       |                       |                                              |                                         |                               |
| 30                                                                                                                                                                                                                                                                                                                        |                                               |                                                                                                                       |                       |                                              |                                         |                               |
| 31                                                                                                                                                                                                                                                                                                                        |                                               |                                                                                                                       |                       |                                              |                                         |                               |
| 32                                                                                                                                                                                                                                                                                                                        |                                               |                                                                                                                       |                       |                                              |                                         |                               |
| 33                                                                                                                                                                                                                                                                                                                        |                                               |                                                                                                                       |                       |                                              |                                         |                               |
| 34                                                                                                                                                                                                                                                                                                                        |                                               |                                                                                                                       |                       |                                              |                                         |                               |
| 35                                                                                                                                                                                                                                                                                                                        |                                               |                                                                                                                       |                       |                                              |                                         |                               |
| 36                                                                                                                                                                                                                                                                                                                        |                                               |                                                                                                                       |                       |                                              |                                         |                               |
| 37                                                                                                                                                                                                                                                                                                                        |                                               |                                                                                                                       |                       |                                              |                                         |                               |
| 38                                                                                                                                                                                                                                                                                                                        |                                               |                                                                                                                       |                       |                                              |                                         |                               |
| 39                                                                                                                                                                                                                                                                                                                        |                                               |                                                                                                                       |                       |                                              |                                         |                               |
| 40                                                                                                                                                                                                                                                                                                                        |                                               |                                                                                                                       |                       |                                              |                                         |                               |
| 41                                                                                                                                                                                                                                                                                                                        |                                               |                                                                                                                       |                       |                                              |                                         |                               |
| 42                                                                                                                                                                                                                                                                                                                        |                                               |                                                                                                                       |                       |                                              |                                         |                               |
| 43                                                                                                                                                                                                                                                                                                                        |                                               |                                                                                                                       |                       |                                              |                                         |                               |
| 44                                                                                                                                                                                                                                                                                                                        |                                               |                                                                                                                       |                       |                                              |                                         |                               |
| 45                                                                                                                                                                                                                                                                                                                        |                                               |                                                                                                                       |                       |                                              |                                         |                               |
| 46                                                                                                                                                                                                                                                                                                                        |                                               |                                                                                                                       |                       |                                              |                                         |                               |
| 47                                                                                                                                                                                                                                                                                                                        | TOTAL                                         | 2,079,365                                                                                                             |                       | 1,257,989                                    | 2,515,751                               | 3,337,127                     |

|                          |                                                                                                                       |                                              |                                  |
|--------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------|----------------------------------|
| Name of Respondent       | This Report is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>2019/Q4 |
| Otter Tail Power Company |                                                                                                                       |                                              |                                  |
| FOOTNOTE DATA            |                                                                                                                       |                                              |                                  |

**Schedule Page: 269 Line No.: 3 Column: a**

The amortization period for the ASU 842 leases are as follows:

|                             |                                   |
|-----------------------------|-----------------------------------|
| Big Stone Lease #2          | January 2019 through October 2026 |
| Big Stone Lease #1          | January 2019 through August 2021  |
| Hoot Lake Rail Car Lease #1 | January 2019 through May 2021     |
| Hoot Lake Rail Car Lease #2 | May 2019 through June 2021        |

**Schedule Page: 269 Line No.: 4 Column: a**

The amortization period for the long-term Discontinued Mark-to-Market Forward Energy Contracts is October 2015 through December 2019.

| Name of Respondent<br>Otter Tail Power Company                                                                                              |                                                | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |                                         | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |
|---------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|-----------------------------------------|----------------------------------------------|-----------------------------------------|
| ACCUMULATED DEFERRED INCOME TAXES - ACCELERATED AMORTIZATION PROPERTY (Account 281)                                                         |                                                |                                                                                                                       |                                         |                                              |                                         |
| 1. Report the information called for below concerning the respondent's accounting for deferred income taxes rating to amortizable property. |                                                |                                                                                                                       |                                         |                                              |                                         |
| 2. For other (Specify), include deferrals relating to other income and deductions.                                                          |                                                |                                                                                                                       |                                         |                                              |                                         |
| Line No.                                                                                                                                    | Account<br><br>(a)                             | Balance at Beginning of Year<br><br>(b)                                                                               | CHANGES DURING YEAR                     |                                              |                                         |
|                                                                                                                                             |                                                |                                                                                                                       | Amounts Debited to Account 410.1<br>(c) | Amounts Credited to Account 411.1<br>(d)     |                                         |
| 1                                                                                                                                           | Accelerated Amortization (Account 281)         |                                                                                                                       |                                         |                                              |                                         |
| 2                                                                                                                                           | Electric                                       |                                                                                                                       |                                         |                                              |                                         |
| 3                                                                                                                                           | Defense Facilities                             |                                                                                                                       |                                         |                                              |                                         |
| 4                                                                                                                                           | Pollution Control Facilities                   | 6,413,615                                                                                                             | 1,461,914                               |                                              |                                         |
| 5                                                                                                                                           | Other (provide details in footnote):           |                                                                                                                       |                                         |                                              |                                         |
| 6                                                                                                                                           |                                                |                                                                                                                       |                                         |                                              |                                         |
| 7                                                                                                                                           |                                                |                                                                                                                       |                                         |                                              |                                         |
| 8                                                                                                                                           | TOTAL Electric (Enter Total of lines 3 thru 7) | 6,413,615                                                                                                             | 1,461,914                               |                                              |                                         |
| 9                                                                                                                                           | Gas                                            |                                                                                                                       |                                         |                                              |                                         |
| 10                                                                                                                                          | Defense Facilities                             |                                                                                                                       |                                         |                                              |                                         |
| 11                                                                                                                                          | Pollution Control Facilities                   |                                                                                                                       |                                         |                                              |                                         |
| 12                                                                                                                                          | Other (provide details in footnote):           |                                                                                                                       |                                         |                                              |                                         |
| 13                                                                                                                                          |                                                |                                                                                                                       |                                         |                                              |                                         |
| 14                                                                                                                                          |                                                |                                                                                                                       |                                         |                                              |                                         |
| 15                                                                                                                                          | TOTAL Gas (Enter Total of lines 10 thru 14)    |                                                                                                                       |                                         |                                              |                                         |
| 16                                                                                                                                          |                                                |                                                                                                                       |                                         |                                              |                                         |
| 17                                                                                                                                          | TOTAL (Acct 281) (Total of 8, 15 and 16)       | 6,413,615                                                                                                             | 1,461,914                               |                                              |                                         |
| 18                                                                                                                                          | Classification of TOTAL                        |                                                                                                                       |                                         |                                              |                                         |
| 19                                                                                                                                          | Federal Income Tax                             | 5,205,799                                                                                                             | 1,094,824                               |                                              |                                         |
| 20                                                                                                                                          | State Income Tax                               | 1,207,816                                                                                                             | 367,089                                 |                                              |                                         |
| 21                                                                                                                                          | Local Income Tax                               |                                                                                                                       |                                         |                                              |                                         |
| NOTES                                                                                                                                       |                                                |                                                                                                                       |                                         |                                              |                                         |

|                                                                                                 |                                             |                                                                                                                       |               |                                              |               |                                         |             |
|-------------------------------------------------------------------------------------------------|---------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|---------------|----------------------------------------------|---------------|-----------------------------------------|-------------|
| Name of Respondent<br>Otter Tail Power Company                                                  |                                             | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |               | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 |               | Year/Period of Report<br>End of 2019/Q4 |             |
| ACCUMULATED DEFERRED INCOME TAXES _ ACCELERATED AMORTIZATION PROPERTY (Account 281) (Continued) |                                             |                                                                                                                       |               |                                              |               |                                         |             |
| 3. Use footnotes as required.                                                                   |                                             |                                                                                                                       |               |                                              |               |                                         |             |
| CHANGES DURING YEAR                                                                             |                                             | ADJUSTMENTS                                                                                                           |               |                                              |               | Balance at<br>End of Year<br>(k)        | Line<br>No. |
| Amounts Debited<br>to Account 410.2<br>(e)                                                      | Amounts Credited<br>to Account 411.2<br>(f) | Debits                                                                                                                |               | Credits                                      |               |                                         |             |
|                                                                                                 |                                             | Account<br>Credited<br>(g)                                                                                            | Amount<br>(h) | Account<br>Debited<br>(i)                    | Amount<br>(j) |                                         |             |
|                                                                                                 |                                             |                                                                                                                       |               |                                              |               |                                         | 1           |
|                                                                                                 |                                             |                                                                                                                       |               |                                              |               |                                         | 2           |
|                                                                                                 |                                             |                                                                                                                       |               |                                              |               |                                         | 3           |
|                                                                                                 |                                             |                                                                                                                       |               |                                              |               | 7,875,529                               | 4           |
|                                                                                                 |                                             |                                                                                                                       |               |                                              |               |                                         | 5           |
|                                                                                                 |                                             |                                                                                                                       |               |                                              |               |                                         | 6           |
|                                                                                                 |                                             |                                                                                                                       |               |                                              |               |                                         | 7           |
|                                                                                                 |                                             |                                                                                                                       |               |                                              |               | 7,875,529                               | 8           |
|                                                                                                 |                                             |                                                                                                                       |               |                                              |               |                                         | 9           |
|                                                                                                 |                                             |                                                                                                                       |               |                                              |               |                                         | 10          |
|                                                                                                 |                                             |                                                                                                                       |               |                                              |               |                                         | 11          |
|                                                                                                 |                                             |                                                                                                                       |               |                                              |               |                                         | 12          |
|                                                                                                 |                                             |                                                                                                                       |               |                                              |               |                                         | 13          |
|                                                                                                 |                                             |                                                                                                                       |               |                                              |               |                                         | 14          |
|                                                                                                 |                                             |                                                                                                                       |               |                                              |               |                                         | 15          |
|                                                                                                 |                                             |                                                                                                                       |               |                                              |               |                                         | 16          |
|                                                                                                 |                                             |                                                                                                                       |               |                                              |               | 7,875,529                               | 17          |
|                                                                                                 |                                             |                                                                                                                       |               |                                              |               |                                         | 18          |
|                                                                                                 |                                             |                                                                                                                       |               |                                              |               | 6,300,623                               | 19          |
|                                                                                                 |                                             |                                                                                                                       |               |                                              |               | 1,574,905                               | 20          |
|                                                                                                 |                                             |                                                                                                                       |               |                                              |               |                                         | 21          |
| NOTES (Continued)                                                                               |                                             |                                                                                                                       |               |                                              |               |                                         |             |

| Name of Respondent<br>Otter Tail Power Company                                                                                                                         |                                                | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |                                         | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|-----------------------------------------|----------------------------------------------|-----------------------------------------|
| ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Account 282)                                                                                                       |                                                |                                                                                                                       |                                         |                                              |                                         |
| 1. Report the information called for below concerning the respondent's accounting for deferred income taxes rating to property not subject to accelerated amortization |                                                |                                                                                                                       |                                         |                                              |                                         |
| 2. For other (Specify), include deferrals relating to other income and deductions.                                                                                     |                                                |                                                                                                                       |                                         |                                              |                                         |
| Line No.                                                                                                                                                               | Account<br><br>(a)                             | Balance at Beginning of Year<br><br>(b)                                                                               | CHANGES DURING YEAR                     |                                              |                                         |
|                                                                                                                                                                        |                                                |                                                                                                                       | Amounts Debited to Account 410.1<br>(c) | Amounts Credited to Account 411.1<br>(d)     |                                         |
| 1                                                                                                                                                                      | Account 282                                    |                                                                                                                       |                                         |                                              |                                         |
| 2                                                                                                                                                                      | Electric                                       | 189,766,063                                                                                                           | 9,717,439                               | 10,237,965                                   |                                         |
| 3                                                                                                                                                                      | Gas                                            |                                                                                                                       |                                         |                                              |                                         |
| 4                                                                                                                                                                      |                                                |                                                                                                                       |                                         |                                              |                                         |
| 5                                                                                                                                                                      | TOTAL (Enter Total of lines 2 thru 4)          | 189,766,063                                                                                                           | 9,717,439                               | 10,237,965                                   |                                         |
| 6                                                                                                                                                                      |                                                |                                                                                                                       |                                         |                                              |                                         |
| 7                                                                                                                                                                      |                                                |                                                                                                                       |                                         |                                              |                                         |
| 8                                                                                                                                                                      |                                                |                                                                                                                       |                                         |                                              |                                         |
| 9                                                                                                                                                                      | TOTAL Account 282 (Enter Total of lines 5 thru | 189,766,063                                                                                                           | 9,717,439                               | 10,237,965                                   |                                         |
| 10                                                                                                                                                                     | Classification of TOTAL                        |                                                                                                                       |                                         |                                              |                                         |
| 11                                                                                                                                                                     | Federal Income Tax                             | 142,761,593                                                                                                           | 5,722,219                               | 6,978,814                                    |                                         |
| 12                                                                                                                                                                     | State Income Tax                               | 47,004,470                                                                                                            | 3,995,220                               | 3,259,151                                    |                                         |
| 13                                                                                                                                                                     | Local Income Tax                               |                                                                                                                       |                                         |                                              |                                         |
| NOTES                                                                                                                                                                  |                                                |                                                                                                                       |                                         |                                              |                                         |



|                                                                              |                                             |                                                                                                                       |               |                                              |               |                                         |             |
|------------------------------------------------------------------------------|---------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|---------------|----------------------------------------------|---------------|-----------------------------------------|-------------|
| Name of Respondent<br>Otter Tail Power Company                               |                                             | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |               | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 |               | Year/Period of Report<br>End of 2019/Q4 |             |
| ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Account 282) (Continued) |                                             |                                                                                                                       |               |                                              |               |                                         |             |
| 3. Use footnotes as required.                                                |                                             |                                                                                                                       |               |                                              |               |                                         |             |
| CHANGES DURING YEAR                                                          |                                             | ADJUSTMENTS                                                                                                           |               |                                              |               | Balance at<br>End of Year<br>(k)        | Line<br>No. |
| Amounts Debited<br>to Account 410.2<br>(e)                                   | Amounts Credited<br>to Account 411.2<br>(f) | Debits                                                                                                                |               | Credits                                      |               |                                         |             |
|                                                                              |                                             | Account<br>Credited<br>(g)                                                                                            | Amount<br>(h) | Account<br>Debited<br>(i)                    | Amount<br>(j) |                                         |             |
|                                                                              |                                             |                                                                                                                       |               |                                              |               |                                         | 1           |
|                                                                              | 78,689                                      | 254                                                                                                                   | 5,211,260     | 182.3                                        | 2,146,734     | 186,102,322                             | 2           |
|                                                                              |                                             |                                                                                                                       |               |                                              |               |                                         | 3           |
|                                                                              |                                             |                                                                                                                       |               |                                              |               |                                         | 4           |
|                                                                              | 78,689                                      |                                                                                                                       | 5,211,260     |                                              | 2,146,734     | 186,102,322                             | 5           |
|                                                                              |                                             |                                                                                                                       |               |                                              |               |                                         | 6           |
|                                                                              |                                             |                                                                                                                       |               |                                              |               |                                         | 7           |
|                                                                              |                                             |                                                                                                                       |               |                                              |               |                                         | 8           |
|                                                                              | 78,689                                      |                                                                                                                       | 5,211,260     |                                              | 2,146,734     | 186,102,322                             | 9           |
|                                                                              |                                             |                                                                                                                       |               |                                              |               |                                         | 10          |
|                                                                              | 64,838                                      |                                                                                                                       | 4,542,390     |                                              | 2,119,350     | 139,017,120                             | 11          |
|                                                                              | 13,851                                      |                                                                                                                       | 668,870       |                                              | 27,384        | 47,085,202                              | 12          |
|                                                                              |                                             |                                                                                                                       |               |                                              |               |                                         | 13          |
| NOTES (Continued)                                                            |                                             |                                                                                                                       |               |                                              |               |                                         |             |

|                          |                                                                                                                       |                                              |                                  |
|--------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------|----------------------------------|
| Name of Respondent       | This Report is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>2019/Q4 |
| Otter Tail Power Company |                                                                                                                       |                                              |                                  |
| FOOTNOTE DATA            |                                                                                                                       |                                              |                                  |

**Schedule Page: 274 Line No.: 2 Column: k**

|                                                            |                      |
|------------------------------------------------------------|----------------------|
| Amort of Loss on Reacquired Debt (pre holdco)              | (192,692)            |
| Big Stone II Deferred Costs                                | (285,768)            |
| Retirements Method Change                                  | -                    |
| South Dakota Flow Thru-Overheads                           | 22,998               |
| Prepaid Expenses                                           | (321,597)            |
| ADR Repair Allowance                                       | (1,236,917)          |
| Sec 162 & 174 R&D Deduction                                | (2,167,836)          |
| Highway Reimbursements                                     | 59,230               |
| AFUDC on Debt                                              | (2,794,527)          |
| Capitalized Overheads                                      | 160,364              |
| Repairs Deduction - Basis Adjustments                      | (7,125,389)          |
| Sec 481(a) Cap to Repair Basis Adjustments (PY)            | 3,502,006            |
| Excess Tax over book Depreciation                          | (211,120,159)        |
| North Dakota Investment Tax Credit - Federal Impacts       | (6,634,029)          |
| Excess Accumulated Deferred Tax due to Federal Rate Change | 40,868,725           |
| ASC 740 (SFAS 109) ADIT Credits - Property                 | 1,163,269            |
|                                                            | <u>(186,102,322)</u> |

| Name of Respondent<br>Otter Tail Power Company                                                                                                           |                                                      | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |                                         | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|-----------------------------------------|----------------------------------------------|-----------------------------------------|
| ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283)                                                                                                  |                                                      |                                                                                                                       |                                         |                                              |                                         |
| 1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amounts recorded in Account 283. |                                                      |                                                                                                                       |                                         |                                              |                                         |
| 2. For other (Specify), include deferrals relating to other income and deductions.                                                                       |                                                      |                                                                                                                       |                                         |                                              |                                         |
| Line No.                                                                                                                                                 | Account<br>(a)                                       | Balance at Beginning of Year<br>(b)                                                                                   | CHANGES DURING YEAR                     |                                              |                                         |
|                                                                                                                                                          |                                                      |                                                                                                                       | Amounts Debited to Account 410.1<br>(c) | Amounts Credited to Account 411.1<br>(d)     |                                         |
| 1                                                                                                                                                        | Account 283                                          |                                                                                                                       |                                         |                                              |                                         |
| 2                                                                                                                                                        | Electric                                             |                                                                                                                       |                                         |                                              |                                         |
| 3                                                                                                                                                        |                                                      |                                                                                                                       |                                         |                                              |                                         |
| 4                                                                                                                                                        | Other Utility Operations                             | 14,871,025                                                                                                            | 2,954,171                               | 452,548                                      |                                         |
| 5                                                                                                                                                        |                                                      |                                                                                                                       |                                         |                                              |                                         |
| 6                                                                                                                                                        |                                                      |                                                                                                                       |                                         |                                              |                                         |
| 7                                                                                                                                                        | Nonutility & Other                                   | 2,692,186                                                                                                             |                                         |                                              |                                         |
| 8                                                                                                                                                        |                                                      |                                                                                                                       |                                         |                                              |                                         |
| 9                                                                                                                                                        | TOTAL Electric (Total of lines 3 thru 8)             | 17,563,211                                                                                                            | 2,954,171                               | 452,548                                      |                                         |
| 10                                                                                                                                                       | Gas                                                  |                                                                                                                       |                                         |                                              |                                         |
| 11                                                                                                                                                       |                                                      |                                                                                                                       |                                         |                                              |                                         |
| 12                                                                                                                                                       |                                                      |                                                                                                                       |                                         |                                              |                                         |
| 13                                                                                                                                                       |                                                      |                                                                                                                       |                                         |                                              |                                         |
| 14                                                                                                                                                       |                                                      |                                                                                                                       |                                         |                                              |                                         |
| 15                                                                                                                                                       |                                                      |                                                                                                                       |                                         |                                              |                                         |
| 16                                                                                                                                                       |                                                      |                                                                                                                       |                                         |                                              |                                         |
| 17                                                                                                                                                       | TOTAL Gas (Total of lines 11 thru 16)                |                                                                                                                       |                                         |                                              |                                         |
| 18                                                                                                                                                       |                                                      |                                                                                                                       |                                         |                                              |                                         |
| 19                                                                                                                                                       | TOTAL (Acct 283) (Enter Total of lines 9, 17 and 18) | 17,563,211                                                                                                            | 2,954,171                               | 452,548                                      |                                         |
| 20                                                                                                                                                       | Classification of TOTAL                              |                                                                                                                       |                                         |                                              |                                         |
| 21                                                                                                                                                       | Federal Income Tax                                   | 10,821,871                                                                                                            | 2,176,988                               | 379,324                                      |                                         |
| 22                                                                                                                                                       | State Income Tax                                     | 6,741,341                                                                                                             | 777,183                                 | 73,224                                       |                                         |
| 23                                                                                                                                                       | Local Income Tax                                     |                                                                                                                       |                                         |                                              |                                         |
| NOTES                                                                                                                                                    |                                                      |                                                                                                                       |                                         |                                              |                                         |

| Name of Respondent<br>Otter Tail Power Company                                                                                       |                                             | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |               | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 |               | Year/Period of Report<br>End of 2019/Q4 |             |
|--------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|---------------|----------------------------------------------|---------------|-----------------------------------------|-------------|
| ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283) (Continued)                                                                  |                                             |                                                                                                                       |               |                                              |               |                                         |             |
| 3. Provide in the space below explanations for Page 276 and 277. Include amounts relating to insignificant items listed under Other. |                                             |                                                                                                                       |               |                                              |               |                                         |             |
| 4. Use footnotes as required.                                                                                                        |                                             |                                                                                                                       |               |                                              |               |                                         |             |
| CHANGES DURING YEAR                                                                                                                  |                                             | ADJUSTMENTS                                                                                                           |               |                                              |               | Balance at<br>End of Year<br>(k)        | Line<br>No. |
| Amounts Debited<br>to Account 410.2<br>(e)                                                                                           | Amounts Credited<br>to Account 411.2<br>(f) | Debits                                                                                                                |               | Credits                                      |               |                                         |             |
|                                                                                                                                      |                                             | Account<br>Credited<br>(g)                                                                                            | Amount<br>(h) | Account<br>Debited<br>(i)                    | Amount<br>(j) |                                         |             |
|                                                                                                                                      |                                             |                                                                                                                       |               |                                              |               |                                         | 1           |
|                                                                                                                                      |                                             |                                                                                                                       |               |                                              |               |                                         | 2           |
|                                                                                                                                      |                                             |                                                                                                                       |               |                                              |               |                                         | 3           |
| 1,739                                                                                                                                |                                             |                                                                                                                       | 157,921       |                                              | 445,066       | 17,661,532                              | 4           |
|                                                                                                                                      |                                             |                                                                                                                       |               |                                              |               |                                         | 5           |
|                                                                                                                                      |                                             |                                                                                                                       |               |                                              |               |                                         | 6           |
| 790,304                                                                                                                              | 707,429                                     |                                                                                                                       |               |                                              | 85,239        | 2,860,300                               | 7           |
|                                                                                                                                      |                                             |                                                                                                                       |               |                                              |               |                                         | 8           |
| 792,043                                                                                                                              | 707,429                                     |                                                                                                                       | 157,921       |                                              | 530,305       | 20,521,832                              | 9           |
|                                                                                                                                      |                                             |                                                                                                                       |               |                                              |               |                                         | 10          |
|                                                                                                                                      |                                             |                                                                                                                       |               |                                              |               |                                         | 11          |
|                                                                                                                                      |                                             |                                                                                                                       |               |                                              |               |                                         | 12          |
|                                                                                                                                      |                                             |                                                                                                                       |               |                                              |               |                                         | 13          |
|                                                                                                                                      |                                             |                                                                                                                       |               |                                              |               |                                         | 14          |
|                                                                                                                                      |                                             |                                                                                                                       |               |                                              |               |                                         | 15          |
|                                                                                                                                      |                                             |                                                                                                                       |               |                                              |               |                                         | 16          |
|                                                                                                                                      |                                             |                                                                                                                       |               |                                              |               |                                         | 17          |
|                                                                                                                                      |                                             |                                                                                                                       |               |                                              |               |                                         | 18          |
| 792,043                                                                                                                              | 707,429                                     |                                                                                                                       | 157,921       |                                              | 530,305       | 20,521,832                              | 19          |
|                                                                                                                                      |                                             |                                                                                                                       |               |                                              |               |                                         | 20          |
| 594,028                                                                                                                              | 529,634                                     |                                                                                                                       | 151,992       |                                              | 418,573       | 12,950,510                              | 21          |
| 198,015                                                                                                                              | 177,795                                     |                                                                                                                       | 5,929         |                                              | 111,731       | 7,571,322                               | 22          |
|                                                                                                                                      |                                             |                                                                                                                       |               |                                              |               |                                         | 23          |
| NOTES (Continued)                                                                                                                    |                                             |                                                                                                                       |               |                                              |               |                                         |             |

|                                                |                                                                                                                       |                                              |                                  |
|------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------|----------------------------------|
| Name of Respondent<br>Otter Tail Power Company | This Report is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>2019/Q4 |
| FOOTNOTE DATA                                  |                                                                                                                       |                                              |                                  |

**Schedule Page: 276 Line No.: 4 Column: g**

Adjustment related to excess accumulated deferred tax due to federal rate change and ESSRP.

**Schedule Page: 276 Line No.: 4 Column: i**

Adjustment related to ASC 740 and excess accumulated deferred tax due to federal rate change.

**Schedule Page: 276 Line No.: 7 Column: a**

Deferred taxes related to CIP costs.

**Schedule Page: 276 Line No.: 7 Column: i**

Adjustment related to excess accumulated deferred tax due to federal rate change.

**Schedule Page: 276 Line No.: 19 Column: k**

|                                                            |                     |
|------------------------------------------------------------|---------------------|
| Pensions                                                   | (17,555,599)        |
| Conservation Improvemen Program - MN & SD - Net(BTL)       | (3,249,609)         |
| Wind Rider Revenue                                         | 207,384             |
| Transmission Rider Revenue                                 | (979,660)           |
| EITE Revenue Tracker                                       | 11,835              |
| SPP Cost Tracker                                           | (55,361)            |
| Generation Rider Revenue                                   | 75,166              |
| Phase-in Rider Revenue                                     | 92,886              |
| ND Rate Case Expenses                                      | (95,853)            |
| MN Rate Case Expenses                                      | (105,115)           |
| SD Rate Case Expenses                                      | (100,388)           |
| Deferred State NOL's - Fed Haircut                         | -                   |
| Regulatory Adjustments - JE 820 ESSRP                      | 846,445             |
| Excess Accumulated Deferred Tax due to Federal Rate Change | 2,117,642           |
| ASC 740 (SFAS109) ADIT Credits - Non-Property              | (1,731,605)         |
|                                                            | <u>(20,521,832)</u> |

| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                       |                                                                | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |                         | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |                                               |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|-------------------------|----------------------------------------------|-----------------------------------------|-----------------------------------------------|
| OTHER REGULATORY LIABILITIES (Account 254)                                                                                                                                                                                                                                                                                                                                           |                                                                |                                                                                                                       |                         |                                              |                                         |                                               |
| 1. Report below the particulars (details) called for concerning other regulatory liabilities, including rate order docket number, if applicable.<br>2. Minor items (5% of the Balance in Account 254 at end of period, or amounts less than \$100,000 which ever is less), may be grouped by classes.<br>3. For Regulatory Liabilities being amortized, show period of amortization. |                                                                |                                                                                                                       |                         |                                              |                                         |                                               |
| Line No.                                                                                                                                                                                                                                                                                                                                                                             | Description and Purpose of Other Regulatory Liabilities<br>(a) | Balance at Beginning of Current Quarter/Year<br>(b)                                                                   | DEBITS                  |                                              | Credits<br>(e)                          | Balance at End of Current Quarter/Year<br>(f) |
|                                                                                                                                                                                                                                                                                                                                                                                      |                                                                |                                                                                                                       | Account Credited<br>(c) | Amount<br>(d)                                |                                         |                                               |
| 1                                                                                                                                                                                                                                                                                                                                                                                    | Deferred Income Tax Adjustments Due to                         |                                                                                                                       |                         |                                              |                                         |                                               |
| 2                                                                                                                                                                                                                                                                                                                                                                                    | ASC 740                                                        | 449,298                                                                                                               | 190                     | 41,865                                       | 2,187,307                               | 2,594,740                                     |
| 3                                                                                                                                                                                                                                                                                                                                                                                    | ADIT Legacy Reclass                                            | 142,329,854                                                                                                           | See Note                | 5,535,095                                    | 2,317,657                               | 139,112,416                                   |
| 4                                                                                                                                                                                                                                                                                                                                                                                    |                                                                |                                                                                                                       |                         |                                              |                                         |                                               |
| 5                                                                                                                                                                                                                                                                                                                                                                                    | MN portion of gain on sale of Wahpeton                         | 83,644                                                                                                                | 407.4                   | 5,576                                        |                                         | 78,068                                        |
| 6                                                                                                                                                                                                                                                                                                                                                                                    |                                                                |                                                                                                                       |                         |                                              |                                         |                                               |
| 7                                                                                                                                                                                                                                                                                                                                                                                    | ND Transmission Revenue Rider                                  | 60,407                                                                                                                | See Note                | 142,289                                      | 782,168                                 | 700,286                                       |
| 8                                                                                                                                                                                                                                                                                                                                                                                    | SD Transmission Revenue Rider                                  | 167,889                                                                                                               | See Note                | 207,347                                      | 39,458                                  |                                               |
| 9                                                                                                                                                                                                                                                                                                                                                                                    |                                                                |                                                                                                                       |                         |                                              |                                         |                                               |
| 10                                                                                                                                                                                                                                                                                                                                                                                   | MN Revenue for Rate Case Expenses                              | 166,286                                                                                                               | 407.4                   |                                              | 234,756                                 | 401,042                                       |
| 11                                                                                                                                                                                                                                                                                                                                                                                   |                                                                |                                                                                                                       |                         |                                              |                                         |                                               |
| 12                                                                                                                                                                                                                                                                                                                                                                                   | ND Environmental Revenue Rider                                 |                                                                                                                       | See Note                | 688,309                                      | 688,309                                 |                                               |
| 13                                                                                                                                                                                                                                                                                                                                                                                   | SD Environmental Revenue Rider                                 | 206,785                                                                                                               | See Note                | 206,785                                      |                                         |                                               |
| 14                                                                                                                                                                                                                                                                                                                                                                                   |                                                                |                                                                                                                       |                         |                                              |                                         |                                               |
| 15                                                                                                                                                                                                                                                                                                                                                                                   | MN Renewable Resource Rider                                    |                                                                                                                       | See Note                | 43,846                                       | 43,846                                  |                                               |
| 16                                                                                                                                                                                                                                                                                                                                                                                   | ND Renewable Resource Rider                                    | 176,590                                                                                                               | See Note                | 302,084                                      | 1,640,683                               | 1,515,189                                     |
| 17                                                                                                                                                                                                                                                                                                                                                                                   |                                                                |                                                                                                                       |                         |                                              |                                         |                                               |
| 18                                                                                                                                                                                                                                                                                                                                                                                   | MISO Schedule 26 and 26A Accrual                               | 187,191                                                                                                               | See Note                | 187,191                                      |                                         |                                               |
| 19                                                                                                                                                                                                                                                                                                                                                                                   |                                                                |                                                                                                                       |                         |                                              |                                         |                                               |
| 20                                                                                                                                                                                                                                                                                                                                                                                   | MN Refundable Fuel Clause Adj Revenue                          |                                                                                                                       | See Note                | 4,128,312                                    | 6,378,142                               | 2,249,830                                     |
| 21                                                                                                                                                                                                                                                                                                                                                                                   | ND Refundable Fuel Clause Adj Revenue                          |                                                                                                                       | See Note                |                                              | 1,516,296                               | 1,516,296                                     |
| 22                                                                                                                                                                                                                                                                                                                                                                                   | SD Refundable Fuel Clause Adj Revenue                          |                                                                                                                       | See Note                |                                              | 216,876                                 | 216,876                                       |
| 23                                                                                                                                                                                                                                                                                                                                                                                   |                                                                |                                                                                                                       |                         |                                              |                                         |                                               |
| 24                                                                                                                                                                                                                                                                                                                                                                                   | MN EITE Cost Recovery Rider                                    |                                                                                                                       | See Note                | 33,941                                       | 197,308                                 | 163,367                                       |
| 25                                                                                                                                                                                                                                                                                                                                                                                   | SD Phase-in Rider                                              |                                                                                                                       | See Note                |                                              | 354,756                                 | 354,756                                       |
| 26                                                                                                                                                                                                                                                                                                                                                                                   |                                                                |                                                                                                                       |                         |                                              |                                         |                                               |
| 27                                                                                                                                                                                                                                                                                                                                                                                   | ND Post Retirement Medical Benefits Actuarial Adt              |                                                                                                                       | 182.3                   |                                              | 471,000                                 | 471,000                                       |
| 28                                                                                                                                                                                                                                                                                                                                                                                   |                                                                |                                                                                                                       |                         |                                              |                                         |                                               |
| 29                                                                                                                                                                                                                                                                                                                                                                                   | ND Generation Cost Recovery Rider                              |                                                                                                                       | See Note                |                                              | 287,077                                 | 287,077                                       |
| 30                                                                                                                                                                                                                                                                                                                                                                                   |                                                                |                                                                                                                       |                         |                                              |                                         |                                               |
| 31                                                                                                                                                                                                                                                                                                                                                                                   |                                                                |                                                                                                                       |                         |                                              |                                         |                                               |
| 32                                                                                                                                                                                                                                                                                                                                                                                   |                                                                |                                                                                                                       |                         |                                              |                                         |                                               |
| 33                                                                                                                                                                                                                                                                                                                                                                                   | See Footnote 3 in Notes to Financial                           |                                                                                                                       |                         |                                              |                                         |                                               |
| 34                                                                                                                                                                                                                                                                                                                                                                                   | Statements for amortization periods.                           |                                                                                                                       |                         |                                              |                                         |                                               |
| 35                                                                                                                                                                                                                                                                                                                                                                                   |                                                                |                                                                                                                       |                         |                                              |                                         |                                               |
| 36                                                                                                                                                                                                                                                                                                                                                                                   |                                                                |                                                                                                                       |                         |                                              |                                         |                                               |
| 37                                                                                                                                                                                                                                                                                                                                                                                   |                                                                |                                                                                                                       |                         |                                              |                                         |                                               |
| 38                                                                                                                                                                                                                                                                                                                                                                                   |                                                                |                                                                                                                       |                         |                                              |                                         |                                               |
| 39                                                                                                                                                                                                                                                                                                                                                                                   |                                                                |                                                                                                                       |                         |                                              |                                         |                                               |
| 40                                                                                                                                                                                                                                                                                                                                                                                   |                                                                |                                                                                                                       |                         |                                              |                                         |                                               |
| 41                                                                                                                                                                                                                                                                                                                                                                                   | TOTAL                                                          | 143,827,944                                                                                                           |                         | 11,522,640                                   | 17,355,639                              | 149,660,943                                   |

|                                                |                                                                                                                       |                                              |                                  |
|------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------|----------------------------------|
| Name of Respondent<br>Otter Tail Power Company | This Report is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>2019/Q4 |
| FOOTNOTE DATA                                  |                                                                                                                       |                                              |                                  |

|                                                     |
|-----------------------------------------------------|
| <b>Schedule Page: 278 Line No.: 3 Column: c</b>     |
| Offsetting accounts: 182.3, 282, 283, and 190.      |
| <b>Schedule Page: 278 Line No.: 7 Column: c</b>     |
| Offsetting accounts: 440, 442, 444, and 445.        |
| <b>Schedule Page: 278 Line No.: 8 Column: c</b>     |
| Offsetting accounts: 440, 442, 444, and 445.        |
| <b>Schedule Page: 278 Line No.: 12 Column: c</b>    |
| Offsetting accounts: 440, 442, 444, and 445.        |
| <b>Schedule Page: 278 Line No.: 13 Column: c</b>    |
| Offsetting accounts: 440, 442, 444, and 445.        |
| <b>Schedule Page: 278 Line No.: 15 Column: c</b>    |
| Offsetting accounts: 440, 442, 444, and 445.        |
| <b>Schedule Page: 278 Line No.: 16 Column: c</b>    |
| Offsetting accounts: 440, 442, 444, and 445.        |
| <b>Schedule Page: 278 Line No.: 18 Column: c</b>    |
| Offsetting accounts: 440, 442, 444, and 445.        |
| <b>Schedule Page: 278 Line No.: 20 Column: c</b>    |
| Offsetting accounts: 440, 442, 444, and 445.        |
| <b>Schedule Page: 278 Line No.: 21 Column: c</b>    |
| Offsetting accounts: 440, 442, 444, and 445.        |
| <b>Schedule Page: 278 Line No.: 22 Column: c</b>    |
| Offsetting accounts: 440, 442, 444, and 445.        |
| <b>Schedule Page: 278 Line No.: 24 Column: c</b>    |
| Offsetting accounts: 182.3, 440, 442, 444, and 445. |
| <b>Schedule Page: 278 Line No.: 25 Column: c</b>    |
| Offsetting accounts: 440, 442, 444, and 445.        |
| <b>Schedule Page: 278 Line No.: 29 Column: c</b>    |
| Offsetting accounts: 440, 442, 444, and 445.        |

| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                             | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019              | Year/Period of Report<br>End of 2019/Q4 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|-----------------------------------------|
| ELECTRIC OPERATING REVENUES (Account 400)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                             |                                                                                                                       |                                                           |                                         |
| <p>1. The following instructions generally apply to the annual version of these pages. Do not report quarterly data in columns (c), (e), (f), and (g). Unbilled revenues and MWH related to unbilled revenues need not be reported separately as required in the annual version of these pages.</p> <p>2. Report below operating revenues for each prescribed account, and manufactured gas revenues in total.</p> <p>3. Report number of customers, columns (f) and (g), on the basis of meters, in addition to the number of flat rate accounts; except that where separate meter readings are added for billing purposes, one customer should be counted for each group of meters added. The -average number of customers means the average of twelve figures at the close of each month.</p> <p>4. If increases or decreases from previous period (columns (c),(e), and (g)), are not derived from previously reported figures, explain any inconsistencies in a footnote.</p> <p>5. Disclose amounts of \$250,000 or greater in a footnote for accounts 451, 456, and 457.2.</p> |                                                             |                                                                                                                       |                                                           |                                         |
| Line No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Title of Account<br>(a)                                     | Operating Revenues Year<br>to Date Quarterly/Annual<br>(b)                                                            | Operating Revenues<br>Previous year (no Quarterly)<br>(c) |                                         |
| 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Sales of Electricity                                        |                                                                                                                       |                                                           |                                         |
| 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | (440) Residential Sales                                     | 131,961,586                                                                                                           | 127,538,863                                               |                                         |
| 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | (442) Commercial and Industrial Sales                       |                                                                                                                       |                                                           |                                         |
| 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Small (or Comm.) (See Instr. 4)                             | 144,662,964                                                                                                           | 141,495,988                                               |                                         |
| 5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Large (or Ind.) (See Instr. 4)                              | 122,298,674                                                                                                           | 121,820,577                                               |                                         |
| 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | (444) Public Street and Highway Lighting                    | 3,788,540                                                                                                             | 3,924,126                                                 |                                         |
| 7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | (445) Other Sales to Public Authorities                     | 3,581,580                                                                                                             | 3,286,993                                                 |                                         |
| 8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | (446) Sales to Railroads and Railways                       |                                                                                                                       |                                                           |                                         |
| 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | (448) Interdepartmental Sales                               |                                                                                                                       |                                                           |                                         |
| 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | TOTAL Sales to Ultimate Consumers                           | 406,293,344                                                                                                           | 398,066,547                                               |                                         |
| 11                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | (447) Sales for Resale                                      | 5,006,802                                                                                                             | 7,735,068                                                 |                                         |
| 12                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | TOTAL Sales of Electricity                                  | 411,300,146                                                                                                           | 405,801,615                                               |                                         |
| 13                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | (Less) (449.1) Provision for Rate Refunds                   | 2,963,338                                                                                                             | 12,950,014                                                |                                         |
| 14                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | TOTAL Revenues Net of Prov. for Refunds                     | 408,336,808                                                                                                           | 392,851,601                                               |                                         |
| 15                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Other Operating Revenues                                    |                                                                                                                       |                                                           |                                         |
| 16                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | (450) Forfeited Discounts                                   | 642,008                                                                                                               | 733,490                                                   |                                         |
| 17                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | (451) Miscellaneous Service Revenues                        | 359,757                                                                                                               | 384,251                                                   |                                         |
| 18                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | (453) Sales of Water and Water Power                        |                                                                                                                       |                                                           |                                         |
| 19                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | (454) Rent from Electric Property                           | 692,617                                                                                                               | 654,270                                                   |                                         |
| 20                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | (455) Interdepartmental Rents                               |                                                                                                                       |                                                           |                                         |
| 21                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | (456) Other Electric Revenues                               | 4,802,635                                                                                                             | 6,107,489                                                 |                                         |
| 22                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | (456.1) Revenues from Transmission of Electricity of Others | 40,000,832                                                                                                            | 45,204,517                                                |                                         |
| 23                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | (457.1) Regional Control Service Revenues                   |                                                                                                                       |                                                           |                                         |
| 24                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | (457.2) Miscellaneous Revenues                              |                                                                                                                       |                                                           |                                         |
| 25                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                             |                                                                                                                       |                                                           |                                         |
| 26                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | TOTAL Other Operating Revenues                              | 46,497,849                                                                                                            | 53,084,017                                                |                                         |
| 27                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | TOTAL Electric Operating Revenues                           | 454,834,657                                                                                                           | 445,935,618                                               |                                         |



|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                            |                                                                                                                       |                                     |                                              |                                         |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|-------------------------------------|----------------------------------------------|-----------------------------------------|
| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                            | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |                                     | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |
| ELECTRIC OPERATING REVENUES (Account 400)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                            |                                                                                                                       |                                     |                                              |                                         |
| 6. Commercial and industrial Sales, Account 442, may be classified according to the basis of classification (Small or Commercial, and Large or Industrial) regularly used by the respondent if such basis of classification is not generally greater than 1000 Kw of demand. (See Account 442 of the Uniform System of Accounts. Explain basis of classification in a footnote.)<br>7. See pages 108-109, Important Changes During Period, for important new territory added and important rate increase or decreases.<br>8. For Lines 2,4,5,and 6, see Page 304 for amounts relating to unbilled revenue by accounts.<br>9. Include unmetered sales. Provide details of such Sales in a footnote. |                                            |                                                                                                                       |                                     |                                              |                                         |
| MEGAWATT HOURS SOLD                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                            | AVG.NO. CUSTOMERS PER MONTH                                                                                           |                                     |                                              | Line                                    |
| Year to Date Quarterly/Annual<br>(d)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Amount Previous year (no Quarterly)<br>(e) | Current Year (no Quarterly)<br>(f)                                                                                    | Previous Year (no Quarterly)<br>(g) | No.                                          |                                         |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                            |                                                                                                                       |                                     |                                              | 1                                       |
| 1,303,317                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 1,321,132                                  | 103,315                                                                                                               | 104,038                             |                                              | 2                                       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                            |                                                                                                                       |                                     |                                              | 3                                       |
| 1,009,749                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 1,607,370                                  | 27,348                                                                                                                | 27,110                              |                                              | 4                                       |
| 2,588,253                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 1,983,281                                  | 13                                                                                                                    | 13                                  |                                              | 5                                       |
| 23,255                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 24,753                                     | 672                                                                                                                   | 397                                 |                                              | 6                                       |
| 44,515                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 40,424                                     | 1,235                                                                                                                 | 592                                 |                                              | 7                                       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                            |                                                                                                                       |                                     |                                              | 8                                       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                            |                                                                                                                       |                                     |                                              | 9                                       |
| 4,969,089                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 4,976,960                                  | 132,583                                                                                                               | 132,150                             |                                              | 10                                      |
| 205,235                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 312,412                                    |                                                                                                                       |                                     |                                              | 11                                      |
| 5,174,324                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 5,289,372                                  | 132,583                                                                                                               | 132,150                             |                                              | 12                                      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                            |                                                                                                                       |                                     |                                              | 13                                      |
| 5,174,324                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 5,289,372                                  | 132,583                                                                                                               | 132,150                             |                                              | 14                                      |
| Line 12, column (b) includes \$ 5,074,729 of unbilled revenues.<br>Line 12, column (d) includes 27,496 MWH relating to unbilled revenues                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                            |                                                                                                                       |                                     |                                              |                                         |

|                                                |                                                                                                                       |                                              |                                  |
|------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------|----------------------------------|
| Name of Respondent<br>Otter Tail Power Company | This Report is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>2019/Q4 |
| FOOTNOTE DATA                                  |                                                                                                                       |                                              |                                  |

**Schedule Page: 300 Line No.: 4 Column: b**

Small (or Commercial) includes all customers having a demand of less than 1000 kw.

**Schedule Page: 300 Line No.: 4 Column: c**

Small (or Commercial) includes all customers having a demand of less than 1000 kw.

**Schedule Page: 300 Line No.: 5 Column: b**

Large (or Industrial) includes all customers having a demand exceeding 1000 kw.

**Schedule Page: 300 Line No.: 5 Column: c**

Large (or Industrial) includes all customer having a demand exceeding 1000 kw.

**Schedule Page: 300 Line No.: 17 Column: b**

| Description of Revenue            | Current Year | Prior Year |
|-----------------------------------|--------------|------------|
| All others (under \$250,000 each) | 359,757      | 384,251    |
| Total                             | \$359,757    | \$384,251  |

**Schedule Page: 300 Line No.: 21 Column: b**

| Description of Revenue                      | Current Year | Prior Year  |
|---------------------------------------------|--------------|-------------|
| Sale of steam                               | \$2,111,982  | \$1,668,488 |
| Integrated transmission deficiency payments |              | (\$9,035)   |
| Load Control & Dispatch                     | 1,869,693    | 1,996,561   |
| Wind Generation Development                 |              | 303,868     |
| All others (under \$250,000 each)           | 820,960      | 2,147,607   |
| Total                                       | \$4,802,635  | \$6,107,489 |

| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                         |                               | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |                                       | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|-----------------------------------------------------------------------------------------------------------------------|---------------------------------------|----------------------------------------------|-----------------------------------------|
| REGIONAL TRANSMISSION SERVICE REVENUES (Account 457.1)                                                                                                                                                                                                 |                               |                                                                                                                       |                                       |                                              |                                         |
| 1. The respondent shall report below the revenue collected for each service (i.e., control area administration, market administration, etc.) performed pursuant to a Commission approved tariff. All amounts separately billed must be detailed below. |                               |                                                                                                                       |                                       |                                              |                                         |
| Line No.                                                                                                                                                                                                                                               | Description of Service<br>(a) | Balance at End of<br>Quarter 1<br>(b)                                                                                 | Balance at End of<br>Quarter 2<br>(c) | Balance at End of<br>Quarter 3<br>(d)        | Balance at End of<br>Year<br>(e)        |
| 1                                                                                                                                                                                                                                                      | Not applicable                |                                                                                                                       |                                       |                                              |                                         |
| 2                                                                                                                                                                                                                                                      |                               |                                                                                                                       |                                       |                                              |                                         |
| 3                                                                                                                                                                                                                                                      |                               |                                                                                                                       |                                       |                                              |                                         |
| 4                                                                                                                                                                                                                                                      |                               |                                                                                                                       |                                       |                                              |                                         |
| 5                                                                                                                                                                                                                                                      |                               |                                                                                                                       |                                       |                                              |                                         |
| 6                                                                                                                                                                                                                                                      |                               |                                                                                                                       |                                       |                                              |                                         |
| 7                                                                                                                                                                                                                                                      |                               |                                                                                                                       |                                       |                                              |                                         |
| 8                                                                                                                                                                                                                                                      |                               |                                                                                                                       |                                       |                                              |                                         |
| 9                                                                                                                                                                                                                                                      |                               |                                                                                                                       |                                       |                                              |                                         |
| 10                                                                                                                                                                                                                                                     |                               |                                                                                                                       |                                       |                                              |                                         |
| 11                                                                                                                                                                                                                                                     |                               |                                                                                                                       |                                       |                                              |                                         |
| 12                                                                                                                                                                                                                                                     |                               |                                                                                                                       |                                       |                                              |                                         |
| 13                                                                                                                                                                                                                                                     |                               |                                                                                                                       |                                       |                                              |                                         |
| 14                                                                                                                                                                                                                                                     |                               |                                                                                                                       |                                       |                                              |                                         |
| 15                                                                                                                                                                                                                                                     |                               |                                                                                                                       |                                       |                                              |                                         |
| 16                                                                                                                                                                                                                                                     |                               |                                                                                                                       |                                       |                                              |                                         |
| 17                                                                                                                                                                                                                                                     |                               |                                                                                                                       |                                       |                                              |                                         |
| 18                                                                                                                                                                                                                                                     |                               |                                                                                                                       |                                       |                                              |                                         |
| 19                                                                                                                                                                                                                                                     |                               |                                                                                                                       |                                       |                                              |                                         |
| 20                                                                                                                                                                                                                                                     |                               |                                                                                                                       |                                       |                                              |                                         |
| 21                                                                                                                                                                                                                                                     |                               |                                                                                                                       |                                       |                                              |                                         |
| 22                                                                                                                                                                                                                                                     |                               |                                                                                                                       |                                       |                                              |                                         |
| 23                                                                                                                                                                                                                                                     |                               |                                                                                                                       |                                       |                                              |                                         |
| 24                                                                                                                                                                                                                                                     |                               |                                                                                                                       |                                       |                                              |                                         |
| 25                                                                                                                                                                                                                                                     |                               |                                                                                                                       |                                       |                                              |                                         |
| 26                                                                                                                                                                                                                                                     |                               |                                                                                                                       |                                       |                                              |                                         |
| 27                                                                                                                                                                                                                                                     |                               |                                                                                                                       |                                       |                                              |                                         |
| 28                                                                                                                                                                                                                                                     |                               |                                                                                                                       |                                       |                                              |                                         |
| 29                                                                                                                                                                                                                                                     |                               |                                                                                                                       |                                       |                                              |                                         |
| 30                                                                                                                                                                                                                                                     |                               |                                                                                                                       |                                       |                                              |                                         |
| 31                                                                                                                                                                                                                                                     |                               |                                                                                                                       |                                       |                                              |                                         |
| 32                                                                                                                                                                                                                                                     |                               |                                                                                                                       |                                       |                                              |                                         |
| 33                                                                                                                                                                                                                                                     |                               |                                                                                                                       |                                       |                                              |                                         |
| 34                                                                                                                                                                                                                                                     |                               |                                                                                                                       |                                       |                                              |                                         |
| 35                                                                                                                                                                                                                                                     |                               |                                                                                                                       |                                       |                                              |                                         |
| 36                                                                                                                                                                                                                                                     |                               |                                                                                                                       |                                       |                                              |                                         |
| 37                                                                                                                                                                                                                                                     |                               |                                                                                                                       |                                       |                                              |                                         |
| 38                                                                                                                                                                                                                                                     |                               |                                                                                                                       |                                       |                                              |                                         |
| 39                                                                                                                                                                                                                                                     |                               |                                                                                                                       |                                       |                                              |                                         |
| 40                                                                                                                                                                                                                                                     |                               |                                                                                                                       |                                       |                                              |                                         |
| 41                                                                                                                                                                                                                                                     |                               |                                                                                                                       |                                       |                                              |                                         |
| 42                                                                                                                                                                                                                                                     |                               |                                                                                                                       |                                       |                                              |                                         |
| 43                                                                                                                                                                                                                                                     |                               |                                                                                                                       |                                       |                                              |                                         |
| 44                                                                                                                                                                                                                                                     |                               |                                                                                                                       |                                       |                                              |                                         |
| 45                                                                                                                                                                                                                                                     |                               |                                                                                                                       |                                       |                                              |                                         |
| 46                                                                                                                                                                                                                                                     | TOTAL                         |                                                                                                                       |                                       |                                              |                                         |

| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                          | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |                | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |                             |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------|----------------------------------------------|-----------------------------------------|-----------------------------|
| SALES OF ELECTRICITY BY RATE SCHEDULES                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                          |                                                                                                                       |                |                                              |                                         |                             |
| <p>1. Report below for each rate schedule in effect during the year the MWh of electricity sold, revenue, average number of customer, average Kwh per customer, and average revenue per Kwh, excluding date for Sales for Resale which is reported on Pages 310-311.</p> <p>2. Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300-301. If the sales under any rate schedule are classified in more than one revenue account, List the rate schedule and sales data under each applicable revenue account subheading.</p> <p>3. Where the same customers are served under more than one rate schedule in the same revenue account classification (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers.</p> <p>4. The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).</p> <p>5. For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.</p> <p>6. Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.</p> |                                          |                                                                                                                       |                |                                              |                                         |                             |
| Line No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Number and Title of Rate schedule<br>(a) | MWh Sold<br>(b)                                                                                                       | Revenue<br>(c) | Average Number of Customers<br>(d)           | KWh of Sales Per Customer<br>(e)        | Revenue Per KWh Sold<br>(f) |
| 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Residential - 440                        |                                                                                                                       |                |                                              |                                         |                             |
| 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Residential Service 9.01                 | 919,798                                                                                                               | 104,548,366    | 98,850                                       | 9,305                                   | 0.1137                      |
| 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                          |                                                                                                                       |                |                                              |                                         |                             |
| 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Residential Service (Ctrl'd Demand       |                                                                                                                       |                |                                              |                                         |                             |
| 5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 9.02                                     | 148,870                                                                                                               | 14,202,886     | 6,134                                        | 24,270                                  | 0.0954                      |
| 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                          |                                                                                                                       |                |                                              |                                         |                             |
| 7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Water Heating Ctrl'd (Off-Peak)          |                                                                                                                       |                |                                              |                                         |                             |
| 8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 14.01                                    | 35,161                                                                                                                | 3,015,663      | 15,335                                       | 2,293                                   | 0.0858                      |
| 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                          |                                                                                                                       |                |                                              |                                         |                             |
| 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Controlled Service                       |                                                                                                                       |                |                                              |                                         |                             |
| 11                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 14.04, 14.05, 14.06, 14.07               | 202,338                                                                                                               | 12,404,661     | 13,743                                       | 14,723                                  | 0.0613                      |
| 12                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                          |                                                                                                                       |                |                                              |                                         |                             |
| 13                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Fixed Time of Delivery Serv 14.07        | 6,345                                                                                                                 | 329,017        | 444                                          | 14,291                                  | 0.0519                      |
| 14                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                          |                                                                                                                       |                |                                              |                                         |                             |
| 15                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Outdoor lighting-energy only 11.0        | 115                                                                                                                   | 8,653          | 276                                          | 417                                     | 0.0752                      |
| 16                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                          |                                                                                                                       |                |                                              |                                         |                             |
| 17                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Outdoor Lighting 11.04                   | 3,221                                                                                                                 | 524,404        | 15                                           | 214,733                                 | 0.1628                      |
| 18                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                          |                                                                                                                       |                |                                              |                                         |                             |
| 19                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Small power producer rider 12.01         |                                                                                                                       | 692            | 36                                           |                                         |                             |
| 20                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                          |                                                                                                                       |                |                                              |                                         |                             |
| 21                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Off-peak Elec Vehicle Rdr 14.12          | 19                                                                                                                    | 1,209          | 10                                           | 1,900                                   | 0.0636                      |
| 22                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                          |                                                                                                                       |                |                                              |                                         |                             |
| 23                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | LED Flood & St & Area Light 11.07        | 117                                                                                                                   | 66,028         | 9                                            | 13,000                                  | 0.5643                      |
| 24                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                          |                                                                                                                       |                |                                              |                                         |                             |
| 25                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Other                                    |                                                                                                                       | 201,647        |                                              |                                         |                             |
| 26                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | MN TCJA Refund                           |                                                                                                                       | -3,747,923     |                                              |                                         |                             |
| 27                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | ND Interim Rate Refund                   |                                                                                                                       | -1,257,497     |                                              |                                         |                             |
| 28                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | SD Interim Rate Refund                   |                                                                                                                       | -371,031       |                                              |                                         |                             |
| 29                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                          |                                                                                                                       |                |                                              |                                         |                             |
| 30                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Conservation Imp Program Revenue         |                                                                                                                       | -1,884,467     |                                              |                                         |                             |
| 31                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Environmental Rider Revenue              |                                                                                                                       | -180,267       |                                              |                                         |                             |
| 32                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Transmission Cost Recovery Rider         |                                                                                                                       | 1,434,993      |                                              |                                         |                             |
| 33                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Renewable Resource Rider Revenue         |                                                                                                                       | -409,909       |                                              |                                         |                             |
| 34                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Generation Cost Recov Rdr Rev            |                                                                                                                       | -78,889        |                                              |                                         |                             |
| 35                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Phase-In Rider Revenue                   |                                                                                                                       | -89,770        |                                              |                                         |                             |
| 36                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Fuel Clause Adjustment Receivable        |                                                                                                                       | 378,972        |                                              |                                         |                             |
| 37                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Southwest Power Pool Rider               |                                                                                                                       | 4,449          |                                              |                                         |                             |
| 38                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Engy Intensive Trade Ex Rev Rdr          |                                                                                                                       | -123,643       |                                              |                                         |                             |
| 39                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | MN Rate Case                             |                                                                                                                       | -47,652        |                                              |                                         |                             |
| 40                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | MN Tax Cuts and Jobs Act                 |                                                                                                                       | 3,290,333      |                                              |                                         |                             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                          |                                                                                                                       |                |                                              |                                         |                             |
| 41                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | TOTAL Billed                             | 4,996,585                                                                                                             | 408,404,735    | 172,315                                      | 28,997                                  | 0.0817                      |
| 42                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Total Unbilled Rev.(See Instr. 6)        | -27,496                                                                                                               | -5,074,729     | 0                                            | 0                                       | 0.1846                      |
| 43                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | TOTAL                                    | 4,969,089                                                                                                             | 403,330,006    | 172,315                                      | 28,837                                  | 0.0812                      |

| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                          | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |                | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |                             |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------|----------------------------------------------|-----------------------------------------|-----------------------------|
| SALES OF ELECTRICITY BY RATE SCHEDULES                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                          |                                                                                                                       |                |                                              |                                         |                             |
| <p>1. Report below for each rate schedule in effect during the year the MWh of electricity sold, revenue, average number of customer, average Kwh per customer, and average revenue per Kwh, excluding date for Sales for Resale which is reported on Pages 310-311.</p> <p>2. Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300-301. If the sales under any rate schedule are classified in more than one revenue account, List the rate schedule and sales data under each applicable revenue account subheading.</p> <p>3. Where the same customers are served under more than one rate schedule in the same revenue account classification (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers.</p> <p>4. The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).</p> <p>5. For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.</p> <p>6. Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.</p> |                                          |                                                                                                                       |                |                                              |                                         |                             |
| Line No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Number and Title of Rate schedule<br>(a) | MWh Sold<br>(b)                                                                                                       | Revenue<br>(c) | Average Number of Customers<br>(d)           | KWh of Sales Per Customer<br>(e)        | Revenue Per KWh Sold<br>(f) |
| 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | ND Interim Rate Refund                   |                                                                                                                       | 1,256,950      |                                              |                                         |                             |
| 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | SD Interim Rate Refund                   |                                                                                                                       | 361,717        |                                              |                                         |                             |
| 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Other                                    |                                                                                                                       | -102           |                                              |                                         |                             |
| 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | SUBTOTAL Billed                          | 1,315,984                                                                                                             | 133,839,490    | 134,852                                      | 9,759                                   | 0.1017                      |
| 5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Unbilled Rev (See Instr. 6)              | -12,665                                                                                                               | -1,877,904     |                                              |                                         | 0.1483                      |
| 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | TOTAL - 440                              | 1,303,319                                                                                                             | 131,961,586    | 134,852                                      | 9,665                                   | 0.1013                      |
| 7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                          |                                                                                                                       |                |                                              |                                         |                             |
| 8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Commercial & Industrial-442              |                                                                                                                       |                |                                              |                                         |                             |
| 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | General Service                          |                                                                                                                       |                |                                              |                                         |                             |
| 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 10.01,10.02                              | 803,485                                                                                                               | 83,864,127     | 25,216                                       | 31,864                                  | 0.1044                      |
| 11                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                          |                                                                                                                       |                |                                              |                                         |                             |
| 12                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Farm Service                             |                                                                                                                       |                |                                              |                                         |                             |
| 13                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 9.03                                     | 81,271                                                                                                                | 8,354,214      | 2,853                                        | 28,486                                  | 0.1028                      |
| 14                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                          |                                                                                                                       |                |                                              |                                         |                             |
| 15                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Large General Service                    |                                                                                                                       |                |                                              |                                         |                             |
| 16                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 10.03                                    | 1,108,701                                                                                                             | 86,735,305     | 359                                          | 3,088,304                               | 0.0782                      |
| 17                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                          |                                                                                                                       |                |                                              |                                         |                             |
| 18                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Real Time Pricing Rider                  |                                                                                                                       |                |                                              |                                         |                             |
| 19                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 14.02                                    | 65,967                                                                                                                | 2,159,373      | 2                                            | 32,983,500                              | 0.0327                      |
| 20                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                          |                                                                                                                       |                |                                              |                                         |                             |
| 21                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Large Gen. Srv. (Time of Day)            |                                                                                                                       |                |                                              |                                         |                             |
| 22                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 10.05                                    | 1,142,249                                                                                                             | 71,448,153     | 100                                          | 11,422,490                              | 0.0626                      |
| 23                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                          |                                                                                                                       |                |                                              |                                         |                             |
| 24                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Large General Service Rider              |                                                                                                                       |                |                                              |                                         |                             |
| 25                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 14.03                                    | 145,766                                                                                                               | 4,846,768      | 15                                           | 9,717,733                               | 0.0333                      |
| 26                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                          |                                                                                                                       |                |                                              |                                         |                             |
| 27                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Water Heating Ctrl'd (Off-Peak)          |                                                                                                                       |                |                                              |                                         |                             |
| 28                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 14.01                                    | 2,014                                                                                                                 | 153,592        | 473                                          | 4,258                                   | 0.0763                      |
| 29                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                          |                                                                                                                       |                |                                              |                                         |                             |
| 30                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Controlled Service                       |                                                                                                                       |                |                                              |                                         |                             |
| 31                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 14.04,14.05,14.06,14.07                  | 214,645                                                                                                               | 11,403,784     | 5,008                                        | 42,860                                  | 0.0531                      |
| 32                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                          |                                                                                                                       |                |                                              |                                         |                             |
| 33                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Fixed Time of Delivery Service           |                                                                                                                       |                |                                              |                                         |                             |
| 34                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 14.07                                    | 28,276                                                                                                                | 1,388,086      | 594                                          | 47,603                                  | 0.0491                      |
| 35                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                          |                                                                                                                       |                |                                              |                                         |                             |
| 36                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Irrigation Service                       |                                                                                                                       |                |                                              |                                         |                             |
| 37                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 11.02                                    | 4,044                                                                                                                 | 430,943        | 363                                          | 11,140                                  | 0.1066                      |
| 38                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                          |                                                                                                                       |                |                                              |                                         |                             |
| 39                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Outdoor Lighting                         |                                                                                                                       |                |                                              |                                         |                             |
| 40                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 11.04                                    | 11,968                                                                                                                | 1,778,330      | 235                                          | 50,928                                  | 0.1486                      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                          |                                                                                                                       |                |                                              |                                         |                             |
| 41                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | TOTAL Billed                             | 4,996,585                                                                                                             | 408,404,735    | 172,315                                      | 28,997                                  | 0.0817                      |
| 42                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Total Unbilled Rev.(See Instr. 6)        | -27,496                                                                                                               | -5,074,729     | 0                                            | 0                                       | 0.1846                      |
| 43                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | TOTAL                                    | 4,969,089                                                                                                             | 403,330,006    | 172,315                                      | 28,837                                  | 0.0812                      |

| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                          | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |                | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |                             |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------|----------------------------------------------|-----------------------------------------|-----------------------------|
| SALES OF ELECTRICITY BY RATE SCHEDULES                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                          |                                                                                                                       |                |                                              |                                         |                             |
| <p>1. Report below for each rate schedule in effect during the year the MWh of electricity sold, revenue, average number of customer, average Kwh per customer, and average revenue per Kwh, excluding date for Sales for Resale which is reported on Pages 310-311.</p> <p>2. Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300-301. If the sales under any rate schedule are classified in more than one revenue account, List the rate schedule and sales data under each applicable revenue account subheading.</p> <p>3. Where the same customers are served under more than one rate schedule in the same revenue account classification (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers.</p> <p>4. The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).</p> <p>5. For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.</p> <p>6. Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.</p> |                                          |                                                                                                                       |                |                                              |                                         |                             |
| Line No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Number and Title of Rate schedule<br>(a) | MWh Sold<br>(b)                                                                                                       | Revenue<br>(c) | Average Number of Customers<br>(d)           | KWh of Sales Per Customer<br>(e)        | Revenue Per KWh Sold<br>(f) |
| 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Outdoor Lighting - Energy Only           |                                                                                                                       |                |                                              |                                         |                             |
| 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 11.03                                    | 2,478                                                                                                                 | 223,010        | 270                                          | 9,178                                   | 0.0900                      |
| 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                          |                                                                                                                       |                |                                              |                                         |                             |
| 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | LED Street and Area Lighting             |                                                                                                                       |                |                                              |                                         |                             |
| 5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 11.07                                    | 986                                                                                                                   | 412,027        | 7                                            | 140,857                                 | 0.4179                      |
| 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                          |                                                                                                                       |                |                                              |                                         |                             |
| 7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Small Power Producer Rider               |                                                                                                                       |                |                                              |                                         |                             |
| 8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 12.01, 12.02, 12.03, 14.10               | -8                                                                                                                    | -506,985       | 35                                           | -229                                    | 63.3731                     |
| 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                          |                                                                                                                       |                |                                              |                                         |                             |
| 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Standby Service                          |                                                                                                                       |                |                                              |                                         |                             |
| 11                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 11.01                                    | 163                                                                                                                   | 18,788         | 5                                            | 32,600                                  | 0.1153                      |
| 12                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                          |                                                                                                                       |                |                                              |                                         |                             |
| 13                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Other                                    |                                                                                                                       | -399,538       |                                              |                                         |                             |
| 14                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | MN TCJA Refund                           |                                                                                                                       | -8,150,152     |                                              |                                         |                             |
| 15                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | ND Interim Rate Refund                   |                                                                                                                       | -1,891,058     |                                              |                                         |                             |
| 16                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | SD Interim Rate Refund                   |                                                                                                                       | -570,687       |                                              |                                         |                             |
| 17                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                          |                                                                                                                       |                |                                              |                                         |                             |
| 18                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Conservation Imp Prog Revenue            |                                                                                                                       | -3,199,191     |                                              |                                         |                             |
| 19                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Environmental Rider Revenue              |                                                                                                                       | -236,436       |                                              |                                         |                             |
| 20                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Transmission Cost Recovery Rider         |                                                                                                                       | 4,831,685      |                                              |                                         |                             |
| 21                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Renewable Resource Rider                 |                                                                                                                       | -734,019       |                                              |                                         |                             |
| 22                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Generation Cost Recov Rdr Rev            |                                                                                                                       | -201,827       |                                              |                                         |                             |
| 23                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Phase-In Rider Revenue                   |                                                                                                                       | -259,742       |                                              |                                         |                             |
| 24                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Fuel Clause Adjustment Receivable        |                                                                                                                       | -1,797,317     |                                              |                                         |                             |
| 25                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Southwest Power Pool Rider               |                                                                                                                       | 20,753         |                                              |                                         |                             |
| 26                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Enrgy Intensive Trade Ex Rev Rdr         |                                                                                                                       | -362,154       |                                              |                                         |                             |
| 27                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | MN Rate Case                             |                                                                                                                       | -184,524       |                                              |                                         |                             |
| 28                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | MN Tax Cuts and Jobs Act                 |                                                                                                                       | 8,009,532      |                                              |                                         |                             |
| 29                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | ND Interim Rate Refund                   |                                                                                                                       | 1,918,925      |                                              |                                         |                             |
| 30                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | SD Interim Rate Refund                   |                                                                                                                       | 568,368        |                                              |                                         |                             |
| 31                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Other                                    |                                                                                                                       | -601           |                                              |                                         |                             |
| 32                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | SUBTOTAL Billed                          | 3,612,005                                                                                                             | 270,071,532    | 35,535                                       | 101,646                                 | 0.0748                      |
| 33                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Unbilled Rev (See Instr. 6)              | -14,004                                                                                                               | -3,109,894     |                                              |                                         | 0.2221                      |
| 34                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | TOTAL - 442                              | 3,598,001                                                                                                             | 266,961,638    | 35,535                                       | 101,252                                 | 0.0742                      |
| 35                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                          |                                                                                                                       |                |                                              |                                         |                             |
| 36                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                          |                                                                                                                       |                |                                              |                                         |                             |
| 37                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                          |                                                                                                                       |                |                                              |                                         |                             |
| 38                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                          |                                                                                                                       |                |                                              |                                         |                             |
| 39                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                          |                                                                                                                       |                |                                              |                                         |                             |
| 40                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                          |                                                                                                                       |                |                                              |                                         |                             |
| 41                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | TOTAL Billed                             | 4,996,585                                                                                                             | 408,404,735    | 172,315                                      | 28,997                                  | 0.0817                      |
| 42                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Total Unbilled Rev.(See Instr. 6)        | -27,496                                                                                                               | -5,074,729     | 0                                            | 0                                       | 0.1846                      |
| 43                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | TOTAL                                    | 4,969,089                                                                                                             | 403,330,006    | 172,315                                      | 28,837                                  | 0.0812                      |

| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                          | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |                | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |                             |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------|----------------------------------------------|-----------------------------------------|-----------------------------|
| SALES OF ELECTRICITY BY RATE SCHEDULES                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                          |                                                                                                                       |                |                                              |                                         |                             |
| <p>1. Report below for each rate schedule in effect during the year the MWh of electricity sold, revenue, average number of customer, average Kwh per customer, and average revenue per Kwh, excluding date for Sales for Resale which is reported on Pages 310-311.</p> <p>2. Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300-301. If the sales under any rate schedule are classified in more than one revenue account, List the rate schedule and sales data under each applicable revenue account subheading.</p> <p>3. Where the same customers are served under more than one rate schedule in the same revenue account classification (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers.</p> <p>4. The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).</p> <p>5. For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.</p> <p>6. Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.</p> |                                          |                                                                                                                       |                |                                              |                                         |                             |
| Line No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Number and Title of Rate schedule<br>(a) | MWh Sold<br>(b)                                                                                                       | Revenue<br>(c) | Average Number of Customers<br>(d)           | KWh of Sales Per Customer<br>(e)        | Revenue Per KWh Sold<br>(f) |
| 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Streetlighting - 444                     |                                                                                                                       |                |                                              |                                         |                             |
| 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Outdoor Lighting-Energy Only 11.0        | 6,417                                                                                                                 | 571,918        | 294                                          | 21,827                                  | 0.0891                      |
| 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                          |                                                                                                                       |                |                                              |                                         |                             |
| 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Outdoor lighting 11.04                   | 16,675                                                                                                                | 3,081,130      | 354                                          | 47,105                                  | 0.1848                      |
| 5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                          |                                                                                                                       |                |                                              |                                         |                             |
| 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | LED Floodlighting/St/Area 11.07          | 330                                                                                                                   | 191,429        | 3                                            | 110,000                                 | 0.5801                      |
| 7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                          |                                                                                                                       |                |                                              |                                         |                             |
| 8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Other                                    |                                                                                                                       | 9,704          |                                              |                                         |                             |
| 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | MN TCJA Refund                           |                                                                                                                       | -96,038        |                                              |                                         |                             |
| 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | ND Interim Rate Refund                   |                                                                                                                       | -35,752        |                                              |                                         |                             |
| 11                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | SD Interim Rate Refund                   |                                                                                                                       | -12,588        |                                              |                                         |                             |
| 12                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                          |                                                                                                                       |                |                                              |                                         |                             |
| 13                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Conservation Imp Prog Revenue            |                                                                                                                       | -23,880        |                                              |                                         |                             |
| 14                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Environmental Rider Revenue              |                                                                                                                       | -1,903         |                                              |                                         |                             |
| 15                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Transmission Cost Recovery Rider         |                                                                                                                       | 23,356         |                                              |                                         |                             |
| 16                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Renewable Resource Rider                 |                                                                                                                       | -5,987         |                                              |                                         |                             |
| 17                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Generation Cost Recov Rdr Rev            |                                                                                                                       | -2,508         |                                              |                                         |                             |
| 18                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Phase-In Rider Revenue                   |                                                                                                                       | -1,869         |                                              |                                         |                             |
| 19                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Fuel Clause Adjustment Receivable        |                                                                                                                       | -28,845        |                                              |                                         |                             |
| 20                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Southwest Power Pool Rider               |                                                                                                                       | 71             |                                              |                                         |                             |
| 21                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Enrgy Intensive Trade Ex Rev Rdr         |                                                                                                                       | -1,504         |                                              |                                         |                             |
| 22                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | MN Tax Cuts and Jobs Act                 |                                                                                                                       | 95,999         |                                              |                                         |                             |
| 23                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | MN Rate Case                             |                                                                                                                       | -936           |                                              |                                         |                             |
| 24                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | SD Interim Rate Refund                   |                                                                                                                       | 12,578         |                                              |                                         |                             |
| 25                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | ND Interim Rate Refund                   |                                                                                                                       | 35,752         |                                              |                                         |                             |
| 26                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Subtotal billed                          | 23,422                                                                                                                | 3,810,127      | 651                                          | 35,978                                  | 0.1627                      |
| 27                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Unbilled Revenue                         | -167                                                                                                                  | -21,587        |                                              |                                         | 0.1293                      |
| 28                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | TOTAL - 444                              | 23,255                                                                                                                | 3,788,540      | 651                                          | 35,722                                  | 0.1629                      |
| 29                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                          |                                                                                                                       |                |                                              |                                         |                             |
| 30                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Other Public Authority-445               |                                                                                                                       |                |                                              |                                         |                             |
| 31                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Pumping and Sirens                       |                                                                                                                       |                |                                              |                                         |                             |
| 32                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 11.05,11.06                              | 43,897                                                                                                                | 3,647,021      | 1,277                                        | 34,375                                  | 0.0831                      |
| 33                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                          |                                                                                                                       |                |                                              |                                         |                             |
| 34                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Outdoor Light-Energy Only 11.03          | 2                                                                                                                     | 316            | 1                                            | 2,000                                   | 0.1580                      |
| 35                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                          |                                                                                                                       |                |                                              |                                         |                             |
| 36                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Outdoor Light-Dusk 2 Dawn 11.07          | 12                                                                                                                    | 2,167          |                                              |                                         | 0.1806                      |
| 37                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                          |                                                                                                                       |                |                                              |                                         |                             |
| 38                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | LED St/Area Lght-Dsk2Dwn 11.07           | 3                                                                                                                     | 1,928          |                                              |                                         | 0.6427                      |
| 39                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                          |                                                                                                                       |                |                                              |                                         |                             |
| 40                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | General Service 10.01                    | 237                                                                                                                   | 26,376         |                                              |                                         | 0.1113                      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                          |                                                                                                                       |                |                                              |                                         |                             |
| 41                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | TOTAL Billed                             | 4,996,585                                                                                                             | 408,404,735    | 172,315                                      | 28,997                                  | 0.0817                      |
| 42                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Total Unbilled Rev.(See Instr. 6)        | -27,496                                                                                                               | -5,074,729     | 0                                            | 0                                       | 0.1846                      |
| 43                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | TOTAL                                    | 4,969,089                                                                                                             | 403,330,006    | 172,315                                      | 28,837                                  | 0.0812                      |

| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                          | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |                | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |                             |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------|----------------------------------------------|-----------------------------------------|-----------------------------|
| SALES OF ELECTRICITY BY RATE SCHEDULES                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                          |                                                                                                                       |                |                                              |                                         |                             |
| <p>1. Report below for each rate schedule in effect during the year the MWh of electricity sold, revenue, average number of customer, average Kwh per customer, and average revenue per Kwh, excluding date for Sales for Resale which is reported on Pages 310-311.</p> <p>2. Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300-301. If the sales under any rate schedule are classified in more than one revenue account, List the rate schedule and sales data under each applicable revenue account subheading.</p> <p>3. Where the same customers are served under more than one rate schedule in the same revenue account classification (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers.</p> <p>4. The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).</p> <p>5. For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.</p> <p>6. Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.</p> |                                          |                                                                                                                       |                |                                              |                                         |                             |
| Line No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Number and Title of Rate schedule<br>(a) | MWh Sold<br>(b)                                                                                                       | Revenue<br>(c) | Average Number of Customers<br>(d)           | KWh of Sales Per Customer<br>(e)        | Revenue Per KWh Sold<br>(f) |
| 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Fixed Time of Service Rider 14.07        | 118                                                                                                                   | 5,861          |                                              |                                         | 0.0497                      |
| 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                          |                                                                                                                       |                |                                              |                                         |                             |
| 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Controlled Service                       |                                                                                                                       |                |                                              |                                         |                             |
| 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 14.04, 14.05, 14.06                      | 906                                                                                                                   | 45,899         |                                              |                                         | 0.0507                      |
| 5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                          |                                                                                                                       |                |                                              |                                         |                             |
| 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Other                                    |                                                                                                                       | -26,149        |                                              |                                         |                             |
| 7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | MN TCJA Refund                           |                                                                                                                       | -93,032        |                                              |                                         |                             |
| 8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | ND Interim Rate Refund                   |                                                                                                                       | -27,299        |                                              |                                         |                             |
| 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | SD Interim Rate Refund                   |                                                                                                                       | -20,251        |                                              |                                         |                             |
| 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                          |                                                                                                                       |                |                                              |                                         |                             |
| 11                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Conservation Imp Prog Revenue            |                                                                                                                       | -56,196        |                                              |                                         |                             |
| 12                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Environmental Rider Revenue              |                                                                                                                       | -2,875         |                                              |                                         |                             |
| 13                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Transmission Cost Recovery Rider         |                                                                                                                       | 47,694         |                                              |                                         |                             |
| 14                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Renewable Resource Rider                 |                                                                                                                       | -9,481         |                                              |                                         |                             |
| 15                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Generation Cost Recov Rdr Rev            |                                                                                                                       | -3,853         |                                              |                                         |                             |
| 16                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Phase-In Rider Revenue                   |                                                                                                                       | -3,375         |                                              |                                         |                             |
| 17                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Fuel Clause Adjustment Rec               |                                                                                                                       | -23,396        |                                              |                                         |                             |
| 18                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Southwest Power Pool Rider               |                                                                                                                       | 278            |                                              |                                         |                             |
| 19                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Enrgy Intensive Trade Ex Rev Rdr         |                                                                                                                       | -3,615         |                                              |                                         |                             |
| 20                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | MN Tax Cuts and Jobs Act                 |                                                                                                                       | 93,023         |                                              |                                         |                             |
| 21                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | MN Rate Case                             |                                                                                                                       | -1,644         |                                              |                                         |                             |
| 22                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | SD Interim Rate Refund                   |                                                                                                                       | 20,233         |                                              |                                         |                             |
| 23                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | ND Interim Rate Refund                   |                                                                                                                       | 27,294         |                                              |                                         |                             |
| 24                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Subtotal                                 | 45,175                                                                                                                | 3,646,924      | 1,278                                        | 35,348                                  | 0.0807                      |
| 25                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Unbilled Revenue                         | -660                                                                                                                  | -65,344        |                                              |                                         | 0.0990                      |
| 26                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | TOTAL - 445                              | 44,515                                                                                                                | 3,581,580      | 1,278                                        | 34,832                                  | 0.0805                      |
| 27                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                          |                                                                                                                       |                |                                              |                                         |                             |
| 28                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Revenue from Fuel Adjustment             |                                                                                                                       |                |                                              |                                         |                             |
| 29                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Clause is reported in footnote.          |                                                                                                                       |                |                                              |                                         |                             |
| 30                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                          |                                                                                                                       |                |                                              |                                         |                             |
| 31                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Provision for Rate Refunds FERC          |                                                                                                                       | -5,508         |                                              |                                         |                             |
| 32                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Provision for Rate Refunds MN            |                                                                                                                       | -3,074,384     |                                              |                                         |                             |
| 33                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Provision for Rate Refunds ND            |                                                                                                                       | -277,925       |                                              |                                         |                             |
| 34                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Provision for Rate Refunds SD            |                                                                                                                       | 294,480        |                                              |                                         |                             |
| 35                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                          |                                                                                                                       |                |                                              |                                         |                             |
| 36                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                          |                                                                                                                       |                |                                              |                                         |                             |
| 37                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                          |                                                                                                                       |                |                                              |                                         |                             |
| 38                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                          |                                                                                                                       |                |                                              |                                         |                             |
| 39                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                          |                                                                                                                       |                |                                              |                                         |                             |
| 40                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                          |                                                                                                                       |                |                                              |                                         |                             |
| 41                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | TOTAL Billed                             | 4,996,585                                                                                                             | 408,404,735    | 172,315                                      | 28,997                                  | 0.0817                      |
| 42                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Total Unbilled Rev.(See Instr. 6)        | -27,496                                                                                                               | -5,074,729     | 0                                            | 0                                       | 0.1846                      |
| 43                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | TOTAL                                    | 4,969,089                                                                                                             | 403,330,006    | 172,315                                      | 28,837                                  | 0.0812                      |



|                                                |                                                                                                                       |                                              |                                  |
|------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------|----------------------------------|
| Name of Respondent<br>Otter Tail Power Company | This Report is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>2019/Q4 |
| FOOTNOTE DATA                                  |                                                                                                                       |                                              |                                  |

**Schedule Page: 304 Line No.: 25 Column: d**

Average number of customers data is not available for the Other category in any revenue class.

**Schedule Page: 304 Line No.: 26 Column: d**

Average number of customers data is not available for the MN TCJA category in any revenue class.

**Schedule Page: 304 Line No.: 27 Column: d**

Average number of customers data is not available for the ND Interim Rate Refund category in any revenue class.

**Schedule Page: 304 Line No.: 28 Column: d**

Average number of customers data is not available for the SD Interim Rate Refund category in any revenue class.

**Schedule Page: 304.4 Line No.: 28 Column: a**

The following revenue received through the fuel adjustment clause is included in the amounts reported on pages 304-304.3.

Residential - 440

|                            |                                              |               |
|----------------------------|----------------------------------------------|---------------|
| 9.01                       | Residential service                          | \$ 11,301,306 |
| 9.02                       | Residential service (control demand)         | 2,122,360     |
| 14.01                      | Water heating - controlled (off-peak)        | 402,462       |
| 14.04, 14.05, 14.06, 14.07 | Controlled service                           | 2,758,542     |
| 14.07                      | Fixed time of delivery service               | 61,512        |
| 14.12                      | Off-Peak Electric Vehicle Rider              | 2             |
| 11.03                      | Outdoor lighting- energy only                | 1,471         |
| 11.04                      | Outdoor lighting                             | 33,336        |
| 11.07                      | LED Floodlighting & Street and Area Lighting | 184           |
| N/A                        | Other                                        | (29,971)      |
| Total residential          |                                              | \$ 16,651,204 |

Commercial and industrial - 442

|                                 |                                              |               |
|---------------------------------|----------------------------------------------|---------------|
| 10.01, 10.02                    | General service                              | \$ 10,624,354 |
| 9.03                            | Farm service                                 | 909,340       |
| 10.03                           | Large general service                        | -             |
| 14.02                           | Real time pricing rider                      | -             |
| 10.05                           | Large general service (time of day)          | 493,351       |
| 14.03                           | Large general service rider                  | 1,872         |
| 14.01                           | Water heating - controlled (off-peak)        | 22,279        |
| 14.04, 14.05, 14.06, 14.07      | Controlled service                           | 3,265,531     |
| 14.07                           | Fixed time of delivery service               | 312,544       |
| 11.02                           | Irrigation service                           | 7,231         |
| 10.03, 10.04                    | Commercial time of use                       | 16,837,922    |
| 11.03                           | Outdoor lighting - energy only               | 28,129        |
| 11.04                           | Outdoor lighting                             | 149,198       |
| 11.01                           | Standby service-option A firm                | 3,036         |
| 11.07                           | LED Floodlighting & Street and Area Lighting | 1,319         |
| 14.1                            | WAPA Bill Crediting Program Rider            | (4,596)       |
| N/A                             | Other                                        | (73,842)      |
| Total commercial and industrial |                                              | \$ 32,577,668 |

|                          |                                                                                                                       |                                              |                                  |
|--------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------|----------------------------------|
| Name of Respondent       | This Report is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>2019/Q4 |
| Otter Tail Power Company |                                                                                                                       |                                              |                                  |
| FOOTNOTE DATA            |                                                                                                                       |                                              |                                  |

Streetlighting - 444

|                      |                                              |              |
|----------------------|----------------------------------------------|--------------|
| 11.03                | Outdoor lighting - energy only               | \$ 64,639    |
| 11.04                | Outdoor lighting                             | 204,303      |
| 11.07                | LED Floodlighting & Street and Area Lighting | 884          |
| N/A                  | Other                                        | <u>(400)</u> |
| Total streetlighting |                                              | \$ 269,426   |

Other public authority - 445

|                              |                                              |                |
|------------------------------|----------------------------------------------|----------------|
| 11.03                        | Outdoor Lighting - Energy Only               | \$ 5           |
| 11.04                        | Outdoor lighting                             | 212            |
| 11.05, 11.06                 | Pumping and sirens                           | 543,980        |
| 11.07                        | LED Floodlighting & Street and Area Lighting | 1              |
| N/A                          | Other                                        | <u>(7,691)</u> |
| Total other public authority |                                              | \$ 536,507     |

Total \$ 50,034,805

| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                       | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |                                            | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |                                  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|--------------------------------------------|----------------------------------------------|-----------------------------------------|----------------------------------|
| SALES FOR RESALE (Account 447)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                       |                                                                                                                       |                                            |                                              |                                         |                                  |
| <p>1. Report all sales for resale (i.e., sales to purchasers other than ultimate consumers) transacted on a settlement basis other than power exchanges during the year. Do not report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges on this schedule. Power exchanges must be reported on the Purchased Power schedule (Page 326-327).</p> <p>2. Enter the name of the purchaser in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the purchaser.</p> <p>3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:<br/> RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projected load for this service in its system resource planning). In addition, the reliability of requirements service must be the same as, or second only to, the supplier's service to its own ultimate consumers.<br/> LF - for long-term service. "Long-term" means five years or Longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for Long-term firm service which meets the definition of RQ service. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.<br/> IF - for intermediate-term firm service. The same as LF service except that "intermediate-term" means longer than one year but Less than five years.<br/> SF - for short-term firm service. Use this category for all firm services where the duration of each period of commitment for service is one year or less.<br/> LU - for Long-term service from a designated generating unit. "Long-term" means five years or Longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of designated unit.<br/> IU - for intermediate-term service from a designated generating unit. The same as LU service except that "intermediate-term" means Longer than one year but Less than five years.</p> |                                                                       |                                                                                                                       |                                            |                                              |                                         |                                  |
| Line No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Name of Company or Public Authority<br>(Footnote Affiliations)<br>(a) | Statistical Classification<br>(b)                                                                                     | FERC Rate Schedule or Tariff Number<br>(c) | Average Monthly Billing Demand (MW)<br>(d)   | Actual Demand (MW)                      |                                  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                       |                                                                                                                       |                                            |                                              | Average Monthly NCP Demand<br>(e)       | Average Monthly CP Demand<br>(f) |
| 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | RQ SALES                                                              |                                                                                                                       |                                            |                                              |                                         |                                  |
| 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Badger, SD                                                            | RQ                                                                                                                    | 144                                        | .386                                         | NA                                      | NA                               |
| 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Newfolden, MN                                                         | RQ                                                                                                                    | 174                                        | .487                                         | NA                                      | NA                               |
| 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Nielsville, MN                                                        | RQ                                                                                                                    | 175                                        | .055                                         | NA                                      | NA                               |
| 5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Shelly, MN                                                            | RQ                                                                                                                    | 176                                        | .227                                         | NA                                      | NA                               |
| 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                       |                                                                                                                       |                                            |                                              |                                         |                                  |
| 7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | NON-RQ SALES                                                          |                                                                                                                       |                                            |                                              |                                         |                                  |
| 8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Midwest ISO Energy Market                                             | OS                                                                                                                    | V9                                         | NA                                           | NA                                      | NA                               |
| 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                       |                                                                                                                       |                                            |                                              |                                         |                                  |
| 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                       |                                                                                                                       |                                            |                                              |                                         |                                  |
| 11                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                       |                                                                                                                       |                                            |                                              |                                         |                                  |
| 12                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                       |                                                                                                                       |                                            |                                              |                                         |                                  |
| 13                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                       |                                                                                                                       |                                            |                                              |                                         |                                  |
| 14                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                       |                                                                                                                       |                                            |                                              |                                         |                                  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                       |                                                                                                                       |                                            |                                              |                                         |                                  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Subtotal RQ                                                           |                                                                                                                       |                                            | 0                                            | 0                                       | 0                                |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Subtotal non-RQ                                                       |                                                                                                                       |                                            | 0                                            | 0                                       | 0                                |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>Total</b>                                                          |                                                                                                                       |                                            | <b>0</b>                                     | <b>0</b>                                | <b>0</b>                         |

|                                                |                                                                                                                       |                                              |                                         |
|------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------|-----------------------------------------|
| Name of Respondent<br>Otter Tail Power Company | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |
|------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------|-----------------------------------------|

**SALES FOR RESALE (Account 447) (Continued)**

OS - for other service. use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote.

AD - for Out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. Group requirements RQ sales together and report them starting at line number one. After listing all RQ sales, enter "Subtotal - RQ" in column (a). The remaining sales may then be listed in any order. Enter "Subtotal-Non-RQ" in column (a) after this Listing. Enter "Total" in column (a) as the Last Line of the schedule. Report subtotals and total for columns (9) through (k)

5. In Column (c), identify the FERC Rate Schedule or Tariff Number. On separate Lines, List all FERC rate schedules or tariffs under which service, as identified in column (b), is provided.

6. For requirements RQ sales and any type of-service involving demand charges imposed on a monthly (or Longer) basis, enter the average monthly billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.

7. Report in column (g) the megawatt hours shown on bills rendered to the purchaser.

8. Report demand charges in column (h), energy charges in column (i), and the total of any other types of charges, including out-of-period adjustments, in column (j). Explain in a footnote all components of the amount shown in column (j). Report in column (k) the total charge shown on bills rendered to the purchaser.

9. The data in column (g) through (k) must be subtotaled based on the RQ/Non-RQ grouping (see instruction 4), and then totaled on the Last -line of the schedule. The "Subtotal - RQ" amount in column (g) must be reported as Requirements Sales For Resale on Page 401, line 23. The "Subtotal - Non-RQ" amount in column (g) must be reported as Non-Requirements Sales For Resale on Page 401, line 24.

10. Footnote entries as required and provide explanations following all required data.

| MegaWatt Hours<br>Sold<br>(g) | REVENUE                       |                               |                              | Total (\$)<br>(h+i+j)<br>(k) | Line<br>No. |
|-------------------------------|-------------------------------|-------------------------------|------------------------------|------------------------------|-------------|
|                               | Demand Charges<br>(\$)<br>(h) | Energy Charges<br>(\$)<br>(i) | Other Charges<br>(\$)<br>(j) |                              |             |
|                               |                               |                               |                              |                              | 1           |
| 294                           | 16,839                        | 9,215                         | 2,474                        | 28,528                       | 2           |
| 1,873                         | 21,450                        | 63,481                        | 15,504                       | 100,435                      | 3           |
| 93                            | 3,171                         | 3,111                         | 782                          | 7,064                        | 4           |
| 676                           | 13,093                        | 22,743                        | 5,557                        | 41,393                       | 5           |
|                               |                               |                               |                              |                              | 6           |
|                               |                               |                               |                              |                              | 7           |
| 202,299                       |                               | 4,829,382                     |                              | 4,829,382                    | 8           |
|                               |                               |                               |                              |                              | 9           |
|                               |                               |                               |                              |                              | 10          |
|                               |                               |                               |                              |                              | 11          |
|                               |                               |                               |                              |                              | 12          |
|                               |                               |                               |                              |                              | 13          |
|                               |                               |                               |                              |                              | 14          |
|                               |                               |                               |                              |                              |             |
| 2,936                         | 54,553                        | 98,550                        | 24,317                       | 177,420                      |             |
| 202,299                       | 0                             | 4,829,382                     | 0                            | 4,829,382                    |             |
| <b>205,235</b>                | <b>54,553</b>                 | <b>4,927,932</b>              | <b>24,317</b>                | <b>5,006,802</b>             |             |

|                                                |                                                                                                                       |                                              |                                  |
|------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------|----------------------------------|
| Name of Respondent<br>Otter Tail Power Company | This Report is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>2019/Q4 |
| FOOTNOTE DATA                                  |                                                                                                                       |                                              |                                  |

|                           |                    |                  |
|---------------------------|--------------------|------------------|
| <b>Schedule Page: 310</b> | <b>Line No.: 2</b> | <b>Column: j</b> |
| Fuel Adjustment Charges   |                    |                  |
| <b>Schedule Page: 310</b> | <b>Line No.: 3</b> | <b>Column: j</b> |
| Fuel Adjustment Charges   |                    |                  |
| <b>Schedule Page: 310</b> | <b>Line No.: 4</b> | <b>Column: j</b> |
| Fuel Adjustment Charges   |                    |                  |
| <b>Schedule Page: 310</b> | <b>Line No.: 5</b> | <b>Column: j</b> |
| Fuel Adjustment Charges   |                    |                  |

| Name of Respondent<br>Otter Tail Power Company                                                        |                                                                        | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |                              | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |
|-------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|------------------------------|----------------------------------------------|-----------------------------------------|
| ELECTRIC OPERATION AND MAINTENANCE EXPENSES                                                           |                                                                        |                                                                                                                       |                              |                                              |                                         |
| If the amount for previous year is not derived from previously reported figures, explain in footnote. |                                                                        |                                                                                                                       |                              |                                              |                                         |
| Line No.                                                                                              | Account (a)                                                            | Amount for Current Year (b)                                                                                           | Amount for Previous Year (c) |                                              |                                         |
| 1                                                                                                     | 1. POWER PRODUCTION EXPENSES                                           |                                                                                                                       |                              |                                              |                                         |
| 2                                                                                                     | A. Steam Power Generation                                              |                                                                                                                       |                              |                                              |                                         |
| 3                                                                                                     | Operation                                                              |                                                                                                                       |                              |                                              |                                         |
| 4                                                                                                     | (500) Operation Supervision and Engineering                            | 1,601,269                                                                                                             | 1,572,734                    |                                              |                                         |
| 5                                                                                                     | (501) Fuel                                                             | 58,042,201                                                                                                            | 64,655,453                   |                                              |                                         |
| 6                                                                                                     | (502) Steam Expenses                                                   | 5,923,393                                                                                                             | 6,351,768                    |                                              |                                         |
| 7                                                                                                     | (503) Steam from Other Sources                                         |                                                                                                                       |                              |                                              |                                         |
| 8                                                                                                     | (Less) (504) Steam Transferred-Cr.                                     |                                                                                                                       |                              |                                              |                                         |
| 9                                                                                                     | (505) Electric Expenses                                                | 2,601,360                                                                                                             | 2,734,180                    |                                              |                                         |
| 10                                                                                                    | (506) Miscellaneous Steam Power Expenses                               | 4,417,320                                                                                                             | 5,898,230                    |                                              |                                         |
| 11                                                                                                    | (507) Rents                                                            | 16,352                                                                                                                | 7,828                        |                                              |                                         |
| 12                                                                                                    | (509) Allowances                                                       | 1,977                                                                                                                 | 13,378                       |                                              |                                         |
| 13                                                                                                    | TOTAL Operation (Enter Total of Lines 4 thru 12)                       | 72,603,872                                                                                                            | 81,233,571                   |                                              |                                         |
| 14                                                                                                    | Maintenance                                                            |                                                                                                                       |                              |                                              |                                         |
| 15                                                                                                    | (510) Maintenance Supervision and Engineering                          | 964,831                                                                                                               | 937,306                      |                                              |                                         |
| 16                                                                                                    | (511) Maintenance of Structures                                        | 883,200                                                                                                               | 989,059                      |                                              |                                         |
| 17                                                                                                    | (512) Maintenance of Boiler Plant                                      | 8,465,029                                                                                                             | 9,023,720                    |                                              |                                         |
| 18                                                                                                    | (513) Maintenance of Electric Plant                                    | 2,869,209                                                                                                             | 2,241,699                    |                                              |                                         |
| 19                                                                                                    | (514) Maintenance of Miscellaneous Steam Plant                         | 1,394,309                                                                                                             | 1,010,467                    |                                              |                                         |
| 20                                                                                                    | TOTAL Maintenance (Enter Total of Lines 15 thru 19)                    | 14,576,578                                                                                                            | 14,202,251                   |                                              |                                         |
| 21                                                                                                    | TOTAL Power Production Expenses-Steam Power (Entr Tot lines 13 & 20)   | 87,180,450                                                                                                            | 95,435,822                   |                                              |                                         |
| 22                                                                                                    | B. Nuclear Power Generation                                            |                                                                                                                       |                              |                                              |                                         |
| 23                                                                                                    | Operation                                                              |                                                                                                                       |                              |                                              |                                         |
| 24                                                                                                    | (517) Operation Supervision and Engineering                            |                                                                                                                       |                              |                                              |                                         |
| 25                                                                                                    | (518) Fuel                                                             |                                                                                                                       |                              |                                              |                                         |
| 26                                                                                                    | (519) Coolants and Water                                               |                                                                                                                       |                              |                                              |                                         |
| 27                                                                                                    | (520) Steam Expenses                                                   |                                                                                                                       |                              |                                              |                                         |
| 28                                                                                                    | (521) Steam from Other Sources                                         |                                                                                                                       |                              |                                              |                                         |
| 29                                                                                                    | (Less) (522) Steam Transferred-Cr.                                     |                                                                                                                       |                              |                                              |                                         |
| 30                                                                                                    | (523) Electric Expenses                                                |                                                                                                                       |                              |                                              |                                         |
| 31                                                                                                    | (524) Miscellaneous Nuclear Power Expenses                             |                                                                                                                       |                              |                                              |                                         |
| 32                                                                                                    | (525) Rents                                                            |                                                                                                                       |                              |                                              |                                         |
| 33                                                                                                    | TOTAL Operation (Enter Total of lines 24 thru 32)                      |                                                                                                                       |                              |                                              |                                         |
| 34                                                                                                    | Maintenance                                                            |                                                                                                                       |                              |                                              |                                         |
| 35                                                                                                    | (528) Maintenance Supervision and Engineering                          |                                                                                                                       |                              |                                              |                                         |
| 36                                                                                                    | (529) Maintenance of Structures                                        |                                                                                                                       |                              |                                              |                                         |
| 37                                                                                                    | (530) Maintenance of Reactor Plant Equipment                           |                                                                                                                       |                              |                                              |                                         |
| 38                                                                                                    | (531) Maintenance of Electric Plant                                    |                                                                                                                       |                              |                                              |                                         |
| 39                                                                                                    | (532) Maintenance of Miscellaneous Nuclear Plant                       |                                                                                                                       |                              |                                              |                                         |
| 40                                                                                                    | TOTAL Maintenance (Enter Total of lines 35 thru 39)                    |                                                                                                                       |                              |                                              |                                         |
| 41                                                                                                    | TOTAL Power Production Expenses-Nuc. Power (Entr tot lines 33 & 40)    |                                                                                                                       |                              |                                              |                                         |
| 42                                                                                                    | C. Hydraulic Power Generation                                          |                                                                                                                       |                              |                                              |                                         |
| 43                                                                                                    | Operation                                                              |                                                                                                                       |                              |                                              |                                         |
| 44                                                                                                    | (535) Operation Supervision and Engineering                            | 28,008                                                                                                                | 25,372                       |                                              |                                         |
| 45                                                                                                    | (536) Water for Power                                                  |                                                                                                                       |                              |                                              |                                         |
| 46                                                                                                    | (537) Hydraulic Expenses                                               | 18,606                                                                                                                | 13,832                       |                                              |                                         |
| 47                                                                                                    | (538) Electric Expenses                                                | -134                                                                                                                  | 33,240                       |                                              |                                         |
| 48                                                                                                    | (539) Miscellaneous Hydraulic Power Generation Expenses                | 23,996                                                                                                                | 12,738                       |                                              |                                         |
| 49                                                                                                    | (540) Rents                                                            | 400                                                                                                                   | -185                         |                                              |                                         |
| 50                                                                                                    | TOTAL Operation (Enter Total of Lines 44 thru 49)                      | 70,876                                                                                                                | 84,997                       |                                              |                                         |
| 51                                                                                                    | C. Hydraulic Power Generation (Continued)                              |                                                                                                                       |                              |                                              |                                         |
| 52                                                                                                    | Maintenance                                                            |                                                                                                                       |                              |                                              |                                         |
| 53                                                                                                    | (541) Maintenance Supervision and Engineering                          | 881                                                                                                                   | 2,731                        |                                              |                                         |
| 54                                                                                                    | (542) Maintenance of Structures                                        | 40                                                                                                                    | 12,239                       |                                              |                                         |
| 55                                                                                                    | (543) Maintenance of Reservoirs, Dams, and Waterways                   | 250,983                                                                                                               | 221,684                      |                                              |                                         |
| 56                                                                                                    | (544) Maintenance of Electric Plant                                    | 9,908                                                                                                                 | 907                          |                                              |                                         |
| 57                                                                                                    | (545) Maintenance of Miscellaneous Hydraulic Plant                     |                                                                                                                       | 38                           |                                              |                                         |
| 58                                                                                                    | TOTAL Maintenance (Enter Total of lines 53 thru 57)                    | 261,812                                                                                                               | 237,599                      |                                              |                                         |
| 59                                                                                                    | TOTAL Power Production Expenses-Hydraulic Power (tot of lines 50 & 58) | 332,688                                                                                                               | 322,596                      |                                              |                                         |
|                                                                                                       |                                                                        |                                                                                                                       |                              |                                              |                                         |

| Name of Respondent<br>Otter Tail Power Company                                                        |                                                                      | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |
|-------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------|-----------------------------------------|
| ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)                                               |                                                                      |                                                                                                                       |                                              |                                         |
| If the amount for previous year is not derived from previously reported figures, explain in footnote. |                                                                      |                                                                                                                       |                                              |                                         |
| Line No.                                                                                              | Account (a)                                                          | Amount for Current Year (b)                                                                                           | Amount for Previous Year (c)                 |                                         |
| 60                                                                                                    | D. Other Power Generation                                            |                                                                                                                       |                                              |                                         |
| 61                                                                                                    | Operation                                                            |                                                                                                                       |                                              |                                         |
| 62                                                                                                    | (546) Operation Supervision and Engineering                          | 285,954                                                                                                               | 291,679                                      |                                         |
| 63                                                                                                    | (547) Fuel                                                           | 1,800,980                                                                                                             | 2,675,963                                    |                                         |
| 64                                                                                                    | (548) Generation Expenses                                            | 2,308,679                                                                                                             | 2,232,750                                    |                                         |
| 65                                                                                                    | (549) Miscellaneous Other Power Generation Expenses                  | 659,484                                                                                                               | 724,320                                      |                                         |
| 66                                                                                                    | (550) Rents                                                          | 617,494                                                                                                               | 605,389                                      |                                         |
| 67                                                                                                    | TOTAL Operation (Enter Total of lines 62 thru 66)                    | 5,672,591                                                                                                             | 6,530,101                                    |                                         |
| 68                                                                                                    | Maintenance                                                          |                                                                                                                       |                                              |                                         |
| 69                                                                                                    | (551) Maintenance Supervision and Engineering                        | 39,346                                                                                                                | 71,670                                       |                                         |
| 70                                                                                                    | (552) Maintenance of Structures                                      | 25,836                                                                                                                | 37,358                                       |                                         |
| 71                                                                                                    | (553) Maintenance of Generating and Electric Plant                   | 450,672                                                                                                               | 674,643                                      |                                         |
| 72                                                                                                    | (554) Maintenance of Miscellaneous Other Power Generation Plant      | 111,553                                                                                                               | 44,533                                       |                                         |
| 73                                                                                                    | TOTAL Maintenance (Enter Total of lines 69 thru 72)                  | 627,407                                                                                                               | 828,204                                      |                                         |
| 74                                                                                                    | TOTAL Power Production Expenses-Other Power (Enter Tot of 67 & 73)   | 6,299,998                                                                                                             | 7,358,305                                    |                                         |
| 75                                                                                                    | E. Other Power Supply Expenses                                       |                                                                                                                       |                                              |                                         |
| 76                                                                                                    | (555) Purchased Power                                                | 72,065,978                                                                                                            | 68,354,479                                   |                                         |
| 77                                                                                                    | (556) System Control and Load Dispatching                            | 364,029                                                                                                               | 334,921                                      |                                         |
| 78                                                                                                    | (557) Other Expenses                                                 | 14,836                                                                                                                | 44,769                                       |                                         |
| 79                                                                                                    | TOTAL Other Power Supply Exp (Enter Total of lines 76 thru 78)       | 72,444,843                                                                                                            | 68,734,169                                   |                                         |
| 80                                                                                                    | TOTAL Power Production Expenses (Total of lines 21, 41, 59, 74 & 79) | 166,257,979                                                                                                           | 171,850,892                                  |                                         |
| 81                                                                                                    | 2. TRANSMISSION EXPENSES                                             |                                                                                                                       |                                              |                                         |
| 82                                                                                                    | Operation                                                            |                                                                                                                       |                                              |                                         |
| 83                                                                                                    | (560) Operation Supervision and Engineering                          | 280,564                                                                                                               | 367,684                                      |                                         |
| 84                                                                                                    |                                                                      |                                                                                                                       |                                              |                                         |
| 85                                                                                                    | (561.1) Load Dispatch-Reliability                                    | 86,346                                                                                                                | 75,782                                       |                                         |
| 86                                                                                                    | (561.2) Load Dispatch-Monitor and Operate Transmission System        | 2,206,064                                                                                                             | 2,287,168                                    |                                         |
| 87                                                                                                    | (561.3) Load Dispatch-Transmission Service and Scheduling            |                                                                                                                       |                                              |                                         |
| 88                                                                                                    | (561.4) Scheduling, System Control and Dispatch Services             | 1,078,721                                                                                                             | 986,303                                      |                                         |
| 89                                                                                                    | (561.5) Reliability, Planning and Standards Development              | 646,304                                                                                                               | 581,557                                      |                                         |
| 90                                                                                                    | (561.6) Transmission Service Studies                                 | 3                                                                                                                     | 534                                          |                                         |
| 91                                                                                                    | (561.7) Generation Interconnection Studies                           | 1,002                                                                                                                 | 598                                          |                                         |
| 92                                                                                                    | (561.8) Reliability, Planning and Standards Development Services     |                                                                                                                       | -2,347                                       |                                         |
| 93                                                                                                    | (562) Station Expenses                                               | 393,004                                                                                                               | 335,296                                      |                                         |
| 94                                                                                                    | (563) Overhead Lines Expenses                                        | 395,340                                                                                                               | 535,616                                      |                                         |
| 95                                                                                                    | (564) Underground Lines Expenses                                     |                                                                                                                       |                                              |                                         |
| 96                                                                                                    | (565) Transmission of Electricity by Others                          | 21,158,422                                                                                                            | 19,073,361                                   |                                         |
| 97                                                                                                    | (566) Miscellaneous Transmission Expenses                            | 683,470                                                                                                               | 771,179                                      |                                         |
| 98                                                                                                    | (567) Rents                                                          | 44,807                                                                                                                | 40,124                                       |                                         |
| 99                                                                                                    | TOTAL Operation (Enter Total of lines 83 thru 98)                    | 26,974,047                                                                                                            | 25,052,855                                   |                                         |
| 100                                                                                                   | Maintenance                                                          |                                                                                                                       |                                              |                                         |
| 101                                                                                                   | (568) Maintenance Supervision and Engineering                        | 180,614                                                                                                               | 249,415                                      |                                         |
| 102                                                                                                   | (569) Maintenance of Structures                                      |                                                                                                                       |                                              |                                         |
| 103                                                                                                   | (569.1) Maintenance of Computer Hardware                             | 40,519                                                                                                                | 45,510                                       |                                         |
| 104                                                                                                   | (569.2) Maintenance of Computer Software                             | 690,424                                                                                                               | 560,943                                      |                                         |
| 105                                                                                                   | (569.3) Maintenance of Communication Equipment                       | 102,056                                                                                                               | 101,246                                      |                                         |
| 106                                                                                                   | (569.4) Maintenance of Miscellaneous Regional Transmission Plant     |                                                                                                                       |                                              |                                         |
| 107                                                                                                   | (570) Maintenance of Station Equipment                               | 1,168,342                                                                                                             | 1,376,573                                    |                                         |
| 108                                                                                                   | (571) Maintenance of Overhead Lines                                  | 1,219,884                                                                                                             | 2,017,323                                    |                                         |
| 109                                                                                                   | (572) Maintenance of Underground Lines                               | 2,126                                                                                                                 | 5,272                                        |                                         |
| 110                                                                                                   | (573) Maintenance of Miscellaneous Transmission Plant                |                                                                                                                       |                                              |                                         |
| 111                                                                                                   | TOTAL Maintenance (Total of lines 101 thru 110)                      | 3,403,965                                                                                                             | 4,356,282                                    |                                         |
| 112                                                                                                   | TOTAL Transmission Expenses (Total of lines 99 and 111)              | 30,378,012                                                                                                            | 29,409,137                                   |                                         |
|                                                                                                       |                                                                      |                                                                                                                       |                                              |                                         |

| Name of Respondent<br>Otter Tail Power Company                                                        |                                                                     | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |                                    | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |
|-------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|------------------------------------|----------------------------------------------|-----------------------------------------|
| ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)                                               |                                                                     |                                                                                                                       |                                    |                                              |                                         |
| If the amount for previous year is not derived from previously reported figures, explain in footnote. |                                                                     |                                                                                                                       |                                    |                                              |                                         |
| Line No.                                                                                              | Account<br>(a)                                                      | Amount for<br>Current Year<br>(b)                                                                                     | Amount for<br>Previous Year<br>(c) |                                              |                                         |
| 113                                                                                                   | 3. REGIONAL MARKET EXPENSES                                         |                                                                                                                       |                                    |                                              |                                         |
| 114                                                                                                   | Operation                                                           |                                                                                                                       |                                    |                                              |                                         |
| 115                                                                                                   | (575.1) Operation Supervision                                       |                                                                                                                       |                                    |                                              |                                         |
| 116                                                                                                   | (575.2) Day-Ahead and Real-Time Market Facilitation                 | 700,355                                                                                                               | 771,704                            |                                              |                                         |
| 117                                                                                                   | (575.3) Transmission Rights Market Facilitation                     | -4,837                                                                                                                | 2,772                              |                                              |                                         |
| 118                                                                                                   | (575.4) Capacity Market Facilitation                                |                                                                                                                       |                                    |                                              |                                         |
| 119                                                                                                   | (575.5) Ancillary Services Market Facilitation                      | 26,105                                                                                                                | 25,610                             |                                              |                                         |
| 120                                                                                                   | (575.6) Market Monitoring and Compliance                            | 4,746                                                                                                                 | 19,186                             |                                              |                                         |
| 121                                                                                                   | (575.7) Market Facilitation, Monitoring and Compliance Services     |                                                                                                                       |                                    |                                              |                                         |
| 122                                                                                                   | (575.8) Rents                                                       |                                                                                                                       |                                    |                                              |                                         |
| 123                                                                                                   | Total Operation (Lines 115 thru 122)                                | 726,369                                                                                                               | 819,272                            |                                              |                                         |
| 124                                                                                                   | Maintenance                                                         |                                                                                                                       |                                    |                                              |                                         |
| 125                                                                                                   | (576.1) Maintenance of Structures and Improvements                  |                                                                                                                       |                                    |                                              |                                         |
| 126                                                                                                   | (576.2) Maintenance of Computer Hardware                            |                                                                                                                       |                                    |                                              |                                         |
| 127                                                                                                   | (576.3) Maintenance of Computer Software                            | 239,647                                                                                                               | 280,206                            |                                              |                                         |
| 128                                                                                                   | (576.4) Maintenance of Communication Equipment                      |                                                                                                                       |                                    |                                              |                                         |
| 129                                                                                                   | (576.5) Maintenance of Miscellaneous Market Operation Plant         |                                                                                                                       |                                    |                                              |                                         |
| 130                                                                                                   | Total Maintenance (Lines 125 thru 129)                              | 239,647                                                                                                               | 280,206                            |                                              |                                         |
| 131                                                                                                   | TOTAL Regional Transmission and Market Op Expns (Total 123 and 130) | 966,016                                                                                                               | 1,099,478                          |                                              |                                         |
| 132                                                                                                   | 4. DISTRIBUTION EXPENSES                                            |                                                                                                                       |                                    |                                              |                                         |
| 133                                                                                                   | Operation                                                           |                                                                                                                       |                                    |                                              |                                         |
| 134                                                                                                   | (580) Operation Supervision and Engineering                         | 246,995                                                                                                               | 347,829                            |                                              |                                         |
| 135                                                                                                   | (581) Load Dispatching                                              | 209,155                                                                                                               | 210,407                            |                                              |                                         |
| 136                                                                                                   | (582) Station Expenses                                              | 353,886                                                                                                               | 300,151                            |                                              |                                         |
| 137                                                                                                   | (583) Overhead Line Expenses                                        | 450,965                                                                                                               | 369,270                            |                                              |                                         |
| 138                                                                                                   | (584) Underground Line Expenses                                     | 1,888,464                                                                                                             | 1,960,970                          |                                              |                                         |
| 139                                                                                                   | (585) Street Lighting and Signal System Expenses                    |                                                                                                                       | 97                                 |                                              |                                         |
| 140                                                                                                   | (586) Meter Expenses                                                | 856,681                                                                                                               | 377,101                            |                                              |                                         |
| 141                                                                                                   | (587) Customer Installations Expenses                               | 55,604                                                                                                                | 157,305                            |                                              |                                         |
| 142                                                                                                   | (588) Miscellaneous Expenses                                        | 4,216,920                                                                                                             | 4,039,352                          |                                              |                                         |
| 143                                                                                                   | (589) Rents                                                         | 244,374                                                                                                               | 246,800                            |                                              |                                         |
| 144                                                                                                   | TOTAL Operation (Enter Total of lines 134 thru 143)                 | 8,523,044                                                                                                             | 8,009,282                          |                                              |                                         |
| 145                                                                                                   | Maintenance                                                         |                                                                                                                       |                                    |                                              |                                         |
| 146                                                                                                   | (590) Maintenance Supervision and Engineering                       | 908,841                                                                                                               | 974,703                            |                                              |                                         |
| 147                                                                                                   | (591) Maintenance of Structures                                     |                                                                                                                       |                                    |                                              |                                         |
| 148                                                                                                   | (592) Maintenance of Station Equipment                              | 527,167                                                                                                               | 948,081                            |                                              |                                         |
| 149                                                                                                   | (593) Maintenance of Overhead Lines                                 | 5,594,639                                                                                                             | 5,100,397                          |                                              |                                         |
| 150                                                                                                   | (594) Maintenance of Underground Lines                              | 951,679                                                                                                               | 992,980                            |                                              |                                         |
| 151                                                                                                   | (595) Maintenance of Line Transformers                              | 152,378                                                                                                               | 106,774                            |                                              |                                         |
| 152                                                                                                   | (596) Maintenance of Street Lighting and Signal Systems             | 642,073                                                                                                               | 1,116,984                          |                                              |                                         |
| 153                                                                                                   | (597) Maintenance of Meters                                         | 886,524                                                                                                               | 872,528                            |                                              |                                         |
| 154                                                                                                   | (598) Maintenance of Miscellaneous Distribution Plant               | 143,250                                                                                                               | 146,099                            |                                              |                                         |
| 155                                                                                                   | TOTAL Maintenance (Total of lines 146 thru 154)                     | 9,806,551                                                                                                             | 10,258,546                         |                                              |                                         |
| 156                                                                                                   | TOTAL Distribution Expenses (Total of lines 144 and 155)            | 18,329,595                                                                                                            | 18,267,828                         |                                              |                                         |
| 157                                                                                                   | 5. CUSTOMER ACCOUNTS EXPENSES                                       |                                                                                                                       |                                    |                                              |                                         |
| 158                                                                                                   | Operation                                                           |                                                                                                                       |                                    |                                              |                                         |
| 159                                                                                                   | (901) Supervision                                                   | 50,329                                                                                                                | 29,084                             |                                              |                                         |
| 160                                                                                                   | (902) Meter Reading Expenses                                        | 6,244,582                                                                                                             | 6,149,095                          |                                              |                                         |
| 161                                                                                                   | (903) Customer Records and Collection Expenses                      | 5,563,554                                                                                                             | 5,275,143                          |                                              |                                         |
| 162                                                                                                   | (904) Uncollectible Accounts                                        | 998,462                                                                                                               | 1,135,000                          |                                              |                                         |
| 163                                                                                                   | (905) Miscellaneous Customer Accounts Expenses                      | 530,313                                                                                                               | 546,737                            |                                              |                                         |
| 164                                                                                                   | TOTAL Customer Accounts Expenses (Total of lines 159 thru 163)      | 13,387,240                                                                                                            | 13,135,059                         |                                              |                                         |
|                                                                                                       |                                                                     |                                                                                                                       |                                    |                                              |                                         |





|                                                |                                                                                                                       |                                              |                                  |
|------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------|----------------------------------|
| Name of Respondent<br>Otter Tail Power Company | This Report is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>2019/Q4 |
| FOOTNOTE DATA                                  |                                                                                                                       |                                              |                                  |

**Schedule Page: 320    Line No.: 86    Column: b**

\$502,727 of the year-to-date expense recorded in Accounts 561 and 569 is designated as Account 561.BA expense.

**Schedule Page: 320    Line No.: 86    Column: c**

\$520,452 of the year-to-date expense recorded in Accounts 561 and 569 is designated as Account 561.BA expense.

| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                       | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |                                            | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |                                  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|--------------------------------------------|----------------------------------------------|-----------------------------------------|----------------------------------|
| PURCHASED POWER (Account 555)<br>(Including power exchanges)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                       |                                                                                                                       |                                            |                                              |                                         |                                  |
| <p>1. Report all power purchases made during the year. Also report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges.</p> <p>2. Enter the name of the seller or other party in an exchange transaction in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the seller.</p> <p>3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:</p> <p>RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projects load for this service in its system resource planning). In addition, the reliability of requirement service must be the same as, or second only to, the supplier's service to its own ultimate consumers.</p> <p>LF - for long-term firm service. "Long-term" means five years or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for long-term firm service firm service which meets the definition of RQ service. For all transaction identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.</p> <p>IF - for intermediate-term firm service. The same as LF service expect that "intermediate-term" means longer than one year but less than five years.</p> <p>SF - for short-term service. Use this category for all firm services, where the duration of each period of commitment for service is one year or less.</p> <p>LU - for long-term service from a designated generating unit. "Long-term" means five years or longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of the designated unit.</p> <p>IU - for intermediate-term service from a designated generating unit. The same as LU service expect that "intermediate-term" means longer than one year but less than five years.</p> <p>EX - For exchanges of electricity. Use this category for transactions involving a balancing of debits and credits for energy, capacity, etc. and any settlements for imbalanced exchanges.</p> <p>OS - for other service. Use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote for each adjustment.</p> |                                                                       |                                                                                                                       |                                            |                                              |                                         |                                  |
| Line No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Name of Company or Public Authority<br>(Footnote Affiliations)<br>(a) | Statistical Classification<br>(b)                                                                                     | FERC Rate Schedule or Tariff Number<br>(c) | Average Monthly Billing Demand (MW)<br>(d)   | Actual Demand (MW)                      |                                  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                       |                                                                                                                       |                                            |                                              | Average Monthly NCP Demand<br>(e)       | Average Monthly CP Demand<br>(f) |
| 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Great River Energy                                                    | SF                                                                                                                    |                                            | 80                                           | N/A                                     | N/A                              |
| 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Great River Energy                                                    | SF                                                                                                                    |                                            | 50                                           | N/A                                     | N/A                              |
| 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Northern States Power Company                                         | OS                                                                                                                    |                                            | N/A                                          | N/A                                     | N/A                              |
| 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Western Area Power Administration                                     | EX                                                                                                                    |                                            | N/A                                          | N/A                                     | N/A                              |
| 5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Western Area Power Administration-WEC                                 | OS                                                                                                                    |                                            | N/A                                          | N/A                                     | N/A                              |
| 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Beltrami Electric Cooperative                                         | RQ                                                                                                                    |                                            | N/A                                          | N/A                                     | N/A                              |
| 7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Nodak Rural Electric Cooperative                                      | RQ                                                                                                                    |                                            | N/A                                          | N/A                                     | N/A                              |
| 8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | PKM Electric Cooperative                                              | RQ                                                                                                                    |                                            | N/A                                          | N/A                                     | N/A                              |
| 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Red Lake Rural Electric Cooperative                                   | RQ                                                                                                                    |                                            | N/A                                          | N/A                                     | N/A                              |
| 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Cass County Electric Cooperative                                      | RQ                                                                                                                    |                                            | N/A                                          | N/A                                     | N/A                              |
| 11                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Whetstone Valley Electric Cooperative                                 | RQ                                                                                                                    |                                            | N/A                                          | N/A                                     | N/A                              |
| 12                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | H-D Electric Cooperative                                              | RQ                                                                                                                    |                                            | N/A                                          | N/A                                     | N/A                              |
| 13                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Kindred School                                                        | RQ                                                                                                                    |                                            | N/A                                          | N/A                                     | N/A                              |
| 14                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Stevens Community Medical                                             | RQ                                                                                                                    |                                            | N/A                                          | N/A                                     | N/A                              |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Total                                                                 |                                                                                                                       |                                            |                                              |                                         |                                  |

| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                       | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |                                            | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |                                  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|--------------------------------------------|----------------------------------------------|-----------------------------------------|----------------------------------|
| PURCHASED POWER (Account 555)<br>(Including power exchanges)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                       |                                                                                                                       |                                            |                                              |                                         |                                  |
| <p>1. Report all power purchases made during the year. Also report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges.</p> <p>2. Enter the name of the seller or other party in an exchange transaction in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the seller.</p> <p>3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:</p> <p>RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projects load for this service in its system resource planning). In addition, the reliability of requirement service must be the same as, or second only to, the supplier's service to its own ultimate consumers.</p> <p>LF - for long-term firm service. "Long-term" means five years or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for long-term firm service firm service which meets the definition of RQ service. For all transaction identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.</p> <p>IF - for intermediate-term firm service. The same as LF service expect that "intermediate-term" means longer than one year but less than five years.</p> <p>SF - for short-term service. Use this category for all firm services, where the duration of each period of commitment for service is one year or less.</p> <p>LU - for long-term service from a designated generating unit. "Long-term" means five years or longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of the designated unit.</p> <p>IU - for intermediate-term service from a designated generating unit. The same as LU service expect that "intermediate-term" means longer than one year but less than five years.</p> <p>EX - For exchanges of electricity. Use this category for transactions involving a balancing of debits and credits for energy, capacity, etc. and any settlements for imbalanced exchanges.</p> <p>OS - for other service. Use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote for each adjustment.</p> |                                                                       |                                                                                                                       |                                            |                                              |                                         |                                  |
| Line No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Name of Company or Public Authority<br>(Footnote Affiliations)<br>(a) | Statistical Classification<br>(b)                                                                                     | FERC Rate Schedule or Tariff Number<br>(c) | Average Monthly Billing Demand (MW)<br>(d)   | Actual Demand (MW)                      |                                  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                       |                                                                                                                       |                                            |                                              | Average Monthly NCP Demand<br>(e)       | Average Monthly CP Demand<br>(f) |
| 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | City of Detroit Lakes                                                 | OS                                                                                                                    |                                            | N/A                                          | N/A                                     | N/A                              |
| 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | American Crystal Sugar                                                | OS                                                                                                                    |                                            | N/A                                          | N/A                                     | N/A                              |
| 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Hendricks Wind I                                                      | OS                                                                                                                    |                                            | N/A                                          | N/A                                     | N/A                              |
| 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Borderline Wind                                                       | OS                                                                                                                    |                                            | N/A                                          | N/A                                     | N/A                              |
| 5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Univ. of MN - Morris                                                  | OS                                                                                                                    |                                            | N/A                                          | N/A                                     | N/A                              |
| 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | FPL Energy ND II, LLC                                                 | OS                                                                                                                    |                                            | N/A                                          | N/A                                     | N/A                              |
| 7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Langdon Wind, LLC                                                     | OS                                                                                                                    |                                            | N/A                                          | N/A                                     | N/A                              |
| 8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Turtle Mountain Community College                                     | OS                                                                                                                    |                                            | N/A                                          | N/A                                     | N/A                              |
| 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Pembina Border Station                                                | OS                                                                                                                    |                                            | N/A                                          | N/A                                     | N/A                              |
| 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Lake Region State College                                             | OS                                                                                                                    |                                            | N/A                                          | N/A                                     | N/A                              |
| 11                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Ashtabula Wind III LLC                                                | OS                                                                                                                    |                                            | N/A                                          | N/A                                     | N/A                              |
| 12                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Ashtabula Wind III LLC - Curtailment                                  | OS                                                                                                                    |                                            | N/A                                          | N/A                                     | N/A                              |
| 13                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | MN Co Generation                                                      | OS                                                                                                                    |                                            | N/A                                          | N/A                                     | N/A                              |
| 14                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | ND Co Generation                                                      | OS                                                                                                                    |                                            | N/A                                          | N/A                                     | N/A                              |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Total                                                                 |                                                                                                                       |                                            |                                              |                                         |                                  |

| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                       | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |                                            | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |                                  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|--------------------------------------------|----------------------------------------------|-----------------------------------------|----------------------------------|
| PURCHASED POWER (Account 555)<br>(Including power exchanges)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                       |                                                                                                                       |                                            |                                              |                                         |                                  |
| <p>1. Report all power purchases made during the year. Also report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges.</p> <p>2. Enter the name of the seller or other party in an exchange transaction in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the seller.</p> <p>3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:</p> <p>RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projects load for this service in its system resource planning). In addition, the reliability of requirement service must be the same as, or second only to, the supplier's service to its own ultimate consumers.</p> <p>LF - for long-term firm service. "Long-term" means five years or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for long-term firm service firm service which meets the definition of RQ service. For all transaction identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.</p> <p>IF - for intermediate-term firm service. The same as LF service expect that "intermediate-term" means longer than one year but less than five years.</p> <p>SF - for short-term service. Use this category for all firm services, where the duration of each period of commitment for service is one year or less.</p> <p>LU - for long-term service from a designated generating unit. "Long-term" means five years or longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of the designated unit.</p> <p>IU - for intermediate-term service from a designated generating unit. The same as LU service expect that "intermediate-term" means longer than one year but less than five years.</p> <p>EX - For exchanges of electricity. Use this category for transactions involving a balancing of debits and credits for energy, capacity, etc. and any settlements for imbalanced exchanges.</p> <p>OS - for other service. Use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote for each adjustment.</p> |                                                                       |                                                                                                                       |                                            |                                              |                                         |                                  |
| Line No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Name of Company or Public Authority<br>(Footnote Affiliations)<br>(a) | Statistical Classification<br>(b)                                                                                     | FERC Rate Schedule or Tariff Number<br>(c) | Average Monthly Billing Demand (MW)<br>(d)   | Actual Demand (MW)                      |                                  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                       |                                                                                                                       |                                            |                                              | Average Monthly NCP Demand<br>(e)       | Average Monthly CP Demand<br>(f) |
| 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | SD Co Generation                                                      | OS                                                                                                                    |                                            | N/A                                          | N/A                                     | N/A                              |
| 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Midwest ISO Energy Market                                             | OS                                                                                                                    |                                            | N/A                                          | N/A                                     | N/A                              |
| 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Southwest Power Pool ISO Energy Market                                | OS                                                                                                                    |                                            | N/A                                          | N/A                                     | N/A                              |
| 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                       |                                                                                                                       |                                            |                                              |                                         |                                  |
| 5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                       |                                                                                                                       |                                            |                                              |                                         |                                  |
| 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                       |                                                                                                                       |                                            |                                              |                                         |                                  |
| 7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                       |                                                                                                                       |                                            |                                              |                                         |                                  |
| 8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                       |                                                                                                                       |                                            |                                              |                                         |                                  |
| 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                       |                                                                                                                       |                                            |                                              |                                         |                                  |
| 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                       |                                                                                                                       |                                            |                                              |                                         |                                  |
| 11                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                       |                                                                                                                       |                                            |                                              |                                         |                                  |
| 12                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                       |                                                                                                                       |                                            |                                              |                                         |                                  |
| 13                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                       |                                                                                                                       |                                            |                                              |                                         |                                  |
| 14                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                       |                                                                                                                       |                                            |                                              |                                         |                                  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Total                                                                 |                                                                                                                       |                                            |                                              |                                         |                                  |

|                                                |                                                                                                                       |                                              |                                         |
|------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------|-----------------------------------------|
| Name of Respondent<br>Otter Tail Power Company | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |
|------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------|-----------------------------------------|

PURCHASED POWER (Account 555), (Continued)  
(Including power exchanges)

AD - for out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. In column (c), identify the FERC Rate Schedule Number or Tariff, or, for non-FERC jurisdictional sellers, include an appropriate designation for the contract. On separate lines, list all FERC rate schedules, tariffs or contract designations under which service, as identified in column (b), is provided.

5. For requirements RQ purchases and any type of service involving demand charges imposed on a monthly (or longer) basis, enter the monthly average billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.

6. Report in column (g) the megawatthours shown on bills rendered to the respondent. Report in columns (h) and (i) the megawatthours of power exchanges received and delivered, used as the basis for settlement. Do not report net exchange.

7. Report demand charges in column (j), energy charges in column (k), and the total of any other types of charges, including out-of-period adjustments, in column (l). Explain in a footnote all components of the amount shown in column (l). Report in column (m) the total charge shown on bills received as settlement by the respondent. For power exchanges, report in column (m) the settlement amount for the net receipt of energy. If more energy was delivered than received, enter a negative amount. If the settlement amount (l) include credits or charges other than incremental generation expenses, or (2) excludes certain credits or charges covered by the agreement, provide an explanatory footnote.

8. The data in column (g) through (m) must be totalled on the last line of the schedule. The total amount in column (g) must be reported as Purchases on Page 401, line 10. The total amount in column (h) must be reported as Exchange Received on Page 401, line 12. The total amount in column (i) must be reported as Exchange Delivered on Page 401, line 13.

9. Footnote entries as required and provide explanations following all required data.

| MegaWatt Hours<br>Purchased<br>(g) | POWER EXCHANGES                   |                                    | COST/SETTLEMENT OF POWER      |                               |                              |                                            | Line<br>No. |
|------------------------------------|-----------------------------------|------------------------------------|-------------------------------|-------------------------------|------------------------------|--------------------------------------------|-------------|
|                                    | MegaWatt Hours<br>Received<br>(h) | MegaWatt Hours<br>Delivered<br>(i) | Demand Charges<br>(\$)<br>(j) | Energy Charges<br>(\$)<br>(k) | Other Charges<br>(\$)<br>(l) | Total (j+k+l)<br>of Settlement (\$)<br>(m) |             |
|                                    |                                   |                                    | 1,328,750                     |                               |                              | 1,328,750                                  | 1           |
|                                    |                                   |                                    | 1,587,250                     |                               |                              | 1,587,250                                  | 2           |
| 204,000                            |                                   |                                    |                               | 4,830,140                     |                              | 4,830,140                                  | 3           |
| -614                               |                                   |                                    |                               | -12,594                       |                              | -12,594                                    | 4           |
| 29,870                             |                                   |                                    |                               | 679,276                       |                              | 679,276                                    | 5           |
| 109,521                            |                                   |                                    | 1,641,110                     | 4,431,735                     | 68,630                       | 6,141,475                                  | 6           |
| 10,370                             |                                   |                                    | 164,229                       | 518,696                       |                              | 682,925                                    | 7           |
| 7,727                              |                                   |                                    | 136,049                       | 400,342                       |                              | 536,391                                    | 8           |
| 9,369                              |                                   |                                    | 161,188                       | 432,717                       |                              | 593,905                                    | 9           |
|                                    |                                   |                                    |                               | 6,973                         |                              | 6,973                                      | 10          |
|                                    |                                   |                                    | 1,121                         |                               |                              | 1,121                                      | 11          |
| 2                                  |                                   |                                    |                               | 235                           |                              | 235                                        | 12          |
|                                    |                                   |                                    | 32,400                        |                               |                              | 32,400                                     | 13          |
|                                    |                                   |                                    | 25,920                        |                               |                              | 25,920                                     | 14          |
| 2,587,505                          |                                   |                                    | 5,079,211                     | 66,918,138                    | 68,630                       | 72,065,979                                 |             |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                       |                                              |                                         |                               |                              |                                            |             |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------|-----------------------------------------|-------------------------------|------------------------------|--------------------------------------------|-------------|
| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |                               |                              |                                            |             |
| PURCHASED POWER(Account 555), (Continued)<br>(Including power exchanges)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                       |                                              |                                         |                               |                              |                                            |             |
| <p>AD - for out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.</p> <p>4. In column (c), identify the FERC Rate Schedule Number or Tariff, or, for non-FERC jurisdictional sellers, include an appropriate designation for the contract. On separate lines, list all FERC rate schedules, tariffs or contract designations under which service, as identified in column (b), is provided.</p> <p>5. For requirements RQ purchases and any type of service involving demand charges imposed on a monthly (or longer) basis, enter the monthly average billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.</p> <p>6. Report in column (g) the megawatthours shown on bills rendered to the respondent. Report in columns (h) and (i) the megawatthours of power exchanges received and delivered, used as the basis for settlement. Do not report net exchange.</p> <p>7. Report demand charges in column (j), energy charges in column (k), and the total of any other types of charges, including out-of-period adjustments, in column (l). Explain in a footnote all components of the amount shown in column (l). Report in column (m) the total charge shown on bills received as settlement by the respondent. For power exchanges, report in column (m) the settlement amount for the net receipt of energy. If more energy was delivered than received, enter a negative amount. If the settlement amount (l) include credits or charges other than incremental generation expenses, or (2) excludes certain credits or charges covered by the agreement, provide an explanatory footnote.</p> <p>8. The data in column (g) through (m) must be totalled on the last line of the schedule. The total amount in column (g) must be reported as Purchases on Page 401, line 10. The total amount in column (h) must be reported as Exchange Received on Page 401, line 12. The total amount in column (i) must be reported as Exchange Delivered on Page 401, line 13.</p> <p>9. Footnote entries as required and provide explanations following all required data.</p> |                                                                                                                       |                                              |                                         |                               |                              |                                            |             |
| MegaWatt Hours<br>Purchased<br>(g)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | MegaWatt Hours<br>Received<br>(h)                                                                                     | MegaWatt Hours<br>Delivered<br>(i)           | Demand Charges<br>(\$)<br>(j)           | Energy Charges<br>(\$)<br>(k) | Other Charges<br>(\$)<br>(l) | Total (j+k+l)<br>of Settlement (\$)<br>(m) | Line<br>No. |
| 939                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                       |                                              | 1,194                                   | 1,409                         |                              | 2,603                                      | 1           |
| 15                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                       |                                              |                                         | 149                           |                              | 149                                        | 2           |
| 869                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                       |                                              |                                         | 19,940                        |                              | 19,940                                     | 3           |
| 1,272                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                       |                                              |                                         | 38,173                        |                              | 38,173                                     | 4           |
| 4,436                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                       |                                              |                                         | 243,963                       |                              | 243,963                                    | 5           |
| 47,059                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                       |                                              |                                         | 1,407,075                     |                              | 1,407,075                                  | 6           |
| 68,534                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                       |                                              |                                         | 2,687,897                     |                              | 2,687,897                                  | 7           |
| 216                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                       |                                              |                                         | 5,234                         |                              | 5,234                                      | 8           |
| 421                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                       |                                              |                                         | 10,302                        |                              | 10,302                                     | 9           |
| 3,884                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                       |                                              |                                         | 121,748                       |                              | 121,748                                    | 10          |
| 200,982                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                       |                                              |                                         | 5,917,480                     |                              | 5,917,480                                  | 11          |
| 904                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                       |                                              |                                         | 26,524                        |                              | 26,524                                     | 12          |
| 224                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                       |                                              |                                         | 19,286                        |                              | 19,286                                     | 13          |
| 36                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                       |                                              |                                         | 754                           |                              | 754                                        | 14          |
| 2,587,505                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                       |                                              | 5,079,211                               | 66,918,138                    | 68,630                       | 72,065,979                                 |             |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                       |                                              |                                         |                               |                              |                                            |    |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------|-----------------------------------------|-------------------------------|------------------------------|--------------------------------------------|----|
| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |                               |                              |                                            |    |
| PURCHASED POWER (Account 555), (Continued)<br>(Including power exchanges)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                       |                                              |                                         |                               |                              |                                            |    |
| <p>AD - for out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.</p> <p>4. In column (c), identify the FERC Rate Schedule Number or Tariff, or, for non-FERC jurisdictional sellers, include an appropriate designation for the contract. On separate lines, list all FERC rate schedules, tariffs or contract designations under which service, as identified in column (b), is provided.</p> <p>5. For requirements RQ purchases and any type of service involving demand charges imposed on a monthly (or longer) basis, enter the monthly average billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.</p> <p>6. Report in column (g) the megawatthours shown on bills rendered to the respondent. Report in columns (h) and (i) the megawatthours of power exchanges received and delivered, used as the basis for settlement. Do not report net exchange.</p> <p>7. Report demand charges in column (j), energy charges in column (k), and the total of any other types of charges, including out-of-period adjustments, in column (l). Explain in a footnote all components of the amount shown in column (l). Report in column (m) the total charge shown on bills received as settlement by the respondent. For power exchanges, report in column (m) the settlement amount for the net receipt of energy. If more energy was delivered than received, enter a negative amount. If the settlement amount (l) include credits or charges other than incremental generation expenses, or (2) excludes certain credits or charges covered by the agreement, provide an explanatory footnote.</p> <p>8. The data in column (g) through (m) must be totalled on the last line of the schedule. The total amount in column (g) must be reported as Purchases on Page 401, line 10. The total amount in column (h) must be reported as Exchange Received on Page 401, line 12. The total amount in column (i) must be reported as Exchange Delivered on Page 401, line 13.</p> <p>9. Footnote entries as required and provide explanations following all required data.</p> |                                                                                                                       |                                              |                                         |                               |                              |                                            |    |
| MegaWatt Hours<br>Purchased<br>(g)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | POWER EXCHANGES                                                                                                       |                                              | COST/SETTLEMENT OF POWER                | Line<br>No.                   |                              |                                            |    |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | MegaWatt Hours<br>Received<br>(h)                                                                                     | MegaWatt Hours<br>Delivered<br>(i)           | Demand Charges<br>(\$)<br>(j)           | Energy Charges<br>(\$)<br>(k) | Other Charges<br>(\$)<br>(l) | Total (j+k+l)<br>of Settlement (\$)<br>(m) |    |
| 116                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                       |                                              |                                         | 2,834                         |                              | 2,834                                      | 1  |
| 1,886,405                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                       |                                              |                                         | 46,060,418                    |                              | 46,060,418                                 | 2  |
| 948                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                       |                                              |                                         | -932,568                      |                              | -932,568                                   | 3  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                       |                                              |                                         |                               |                              |                                            | 4  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                       |                                              |                                         |                               |                              |                                            | 5  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                       |                                              |                                         |                               |                              |                                            | 6  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                       |                                              |                                         |                               |                              |                                            | 7  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                       |                                              |                                         |                               |                              |                                            | 8  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                       |                                              |                                         |                               |                              |                                            | 9  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                       |                                              |                                         |                               |                              |                                            | 10 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                       |                                              |                                         |                               |                              |                                            | 11 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                       |                                              |                                         |                               |                              |                                            | 12 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                       |                                              |                                         |                               |                              |                                            | 13 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                       |                                              |                                         |                               |                              |                                            | 14 |
| 2,587,505                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                       |                                              | 5,079,211                               | 66,918,138                    | 68,630                       | 72,065,979                                 |    |



|                                                |                                                                                                                       |                                              |                                  |
|------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------|----------------------------------|
| Name of Respondent<br>Otter Tail Power Company | This Report is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>2019/Q4 |
| FOOTNOTE DATA                                  |                                                                                                                       |                                              |                                  |

|                             |                    |                  |
|-----------------------------|--------------------|------------------|
| <b>Schedule Page: 326</b>   | <b>Line No.: 1</b> | <b>Column: a</b> |
| January through May 2019.   |                    |                  |
| <b>Schedule Page: 326</b>   | <b>Line No.: 2</b> | <b>Column: a</b> |
| June through December 2019. |                    |                  |
| <b>Schedule Page: 326</b>   | <b>Line No.: 6</b> | <b>Column: l</b> |
| Nomination charge.          |                    |                  |

| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                              | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |                                                                                       | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|----------------------------------------------|-----------------------------------------|
| TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456.1)<br>(Including transactions referred to as 'wheeling')                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                              |                                                                                                                       |                                                                                       |                                              |                                         |
| <p>1. Report all transmission of electricity, i.e., wheeling, provided for other electric utilities, cooperatives, other public authorities, qualifying facilities, non-traditional utility suppliers and ultimate customers for the quarter.</p> <p>2. Use a separate line of data for each distinct type of transmission service involving the entities listed in column (a), (b) and (c).</p> <p>3. Report in column (a) the company or public authority that paid for the transmission service. Report in column (b) the company or public authority that the energy was received from and in column (c) the company or public authority that the energy was delivered to. Provide the full name of each company or public authority. Do not abbreviate or truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation the respondent has with the entities listed in columns (a), (b) or (c)</p> <p>4. In column (d) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNO - Firm Network Service for Others, FNS - Firm Network Transmission Service for Self, LFP - "Long-Term Firm Point to Point Transmission Service, OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point to Point Transmission Reservation, NF - non-firm transmission service, OS - Other Transmission Service and AD - Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment. See General Instruction for definitions of codes.</p> |                                                                              |                                                                                                                       |                                                                                       |                                              |                                         |
| Line No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Payment By<br>(Company of Public Authority)<br>(Footnote Affiliation)<br>(a) | Energy Received From<br>(Company of Public Authority)<br>(Footnote Affiliation)<br>(b)                                | Energy Delivered To<br>(Company of Public Authority)<br>(Footnote Affiliation)<br>(c) | Statistical Classification<br>(d)            |                                         |
| 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Badger, SD                                                                   | Western Area Power Administration                                                                                     | Badger, SD                                                                            | LFP                                          |                                         |
| 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Newfolden, MN                                                                | Western Area Power Administration                                                                                     | Newfolden, MN                                                                         | LFP                                          |                                         |
| 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Nielsville, MN                                                               | Western Area Power Administration                                                                                     | Nielsville, MN                                                                        | LFP                                          |                                         |
| 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Shelly, MN                                                                   | Western Area Power Administration                                                                                     | Shelly, MN                                                                            | LFP                                          |                                         |
| 5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Fort Totten Indian Agency                                                    | Western Area Power Administration                                                                                     | Fort Totten, ND                                                                       | LFP                                          |                                         |
| 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | State Development Center                                                     | Western Area Power Administration                                                                                     | Grafton, ND                                                                           | LFP                                          |                                         |
| 7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | North Dakota School for Deaf                                                 | Western Area Power Administration                                                                                     | Devils Lake, ND                                                                       | LFP                                          |                                         |
| 8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | North Dakota School of Forestry                                              | Western Area Power Administration                                                                                     | Bottineau, ND                                                                         | LFP                                          |                                         |
| 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | North Dakota College of Science                                              | Western Area Power Administration                                                                                     | Wahpeton, ND                                                                          | LFP                                          |                                         |
| 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Turtle Mountain Indian Agency                                                | Western Area Power Administration                                                                                     | Belcourt, ND                                                                          | LFP                                          |                                         |
| 11                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Oakes O&M Headquarters                                                       | Western Area Power Administration                                                                                     | Oakes, ND                                                                             | LFP                                          |                                         |
| 12                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Great River Energy                                                           | Western Area Power Administration                                                                                     | Maple Grove, MN                                                                       | OS                                           |                                         |
| 13                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Minnkota Power Cooperative, Inc.                                             | Minnkota Power Cooperative, Inc.                                                                                      | Various Interconnects                                                                 | OS                                           |                                         |
| 14                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                              | U.S. Bureau of Reclamation                                                                                            | Otter Tail Power Company                                                              | OS                                           |                                         |
| 15                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                              | Various Companies                                                                                                     | Otter Tail Power Company                                                              | OS                                           |                                         |
| 16                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                              | Various Companies                                                                                                     | Otter Tail Power Company                                                              | OS                                           |                                         |
| 17                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                              | Various Companies                                                                                                     | Various Companies                                                                     | OS                                           |                                         |
| 18                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Midwest Independent System Operator                                          | Various Companies                                                                                                     | Various Companies                                                                     | OS                                           |                                         |
| 19                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | See Footnote                                                                 |                                                                                                                       |                                                                                       |                                              |                                         |
| 20                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                              |                                                                                                                       |                                                                                       |                                              |                                         |
| 21                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                              |                                                                                                                       |                                                                                       |                                              |                                         |
| 22                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                              |                                                                                                                       |                                                                                       |                                              |                                         |
| 23                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                              |                                                                                                                       |                                                                                       |                                              |                                         |
| 24                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                              |                                                                                                                       |                                                                                       |                                              |                                         |
| 25                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                              |                                                                                                                       |                                                                                       |                                              |                                         |
| 26                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                              |                                                                                                                       |                                                                                       |                                              |                                         |
| 27                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                              |                                                                                                                       |                                                                                       |                                              |                                         |
| 28                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                              |                                                                                                                       |                                                                                       |                                              |                                         |
| 29                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                              |                                                                                                                       |                                                                                       |                                              |                                         |
| 30                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                              |                                                                                                                       |                                                                                       |                                              |                                         |
| 31                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                              |                                                                                                                       |                                                                                       |                                              |                                         |
| 32                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                              |                                                                                                                       |                                                                                       |                                              |                                         |
| 33                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                              |                                                                                                                       |                                                                                       |                                              |                                         |
| 34                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                              |                                                                                                                       |                                                                                       |                                              |                                         |
| TOTAL                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                              |                                                                                                                       |                                                                                       |                                              |                                         |

| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                 | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |                                  | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 |                                    | Year/Period of Report<br>End of 2019/Q4 |  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------------------|------------------------------------|-----------------------------------------|--|
| TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)(Continued)<br>(Including transactions referred to as "wheeling")                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                 |                                                                                                                       |                                  |                                              |                                    |                                         |  |
| <p>5. In column (e), identify the FERC Rate Schedule or Tariff Number, On separate lines, list all FERC rate schedules or contract designations under which service, as identified in column (d), is provided.</p> <p>6. Report receipt and delivery locations for all single contract path, "point to point" transmission service. In column (f), report the designation for the substation, or other appropriate identification for where energy was received as specified in the contract. In column (g) report the designation for the substation, or other appropriate identification for where energy was delivered as specified in the contract.</p> <p>7. Report in column (h) the number of megawatts of billing demand that is specified in the firm transmission service contract. Demand reported in column (h) must be in megawatts. Footnote any demand not stated on a megawatts basis and explain.</p> <p>8. Report in column (i) and (j) the total megawatthours received and delivered.</p> |                                                                 |                                                                                                                       |                                  |                                              |                                    |                                         |  |
| FERC Rate<br>Schedule of<br>Tariff Number<br>(e)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Point of Receipt<br>(Substation or Other<br>Designation)<br>(f) | Point of Delivery<br>(Substation or Other<br>Designation)<br>(g)                                                      | Billing<br>Demand<br>(MW)<br>(h) | TRANSFER OF ENERGY                           |                                    | Line<br>No.                             |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                 |                                                                                                                       |                                  | MegaWatt Hours<br>Received<br>(i)            | MegaWatt Hours<br>Delivered<br>(j) |                                         |  |
| 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | (1)                                                             | Badger, SD                                                                                                            |                                  | 1,571                                        | 1,503                              | 1                                       |  |
| 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | (1)                                                             | Newfolden, MN                                                                                                         |                                  | 2,937                                        | 2,745                              | 2                                       |  |
| 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | (1)                                                             | Nielsville, MN                                                                                                        |                                  | 625                                          | 584                                | 3                                       |  |
| 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | (1)                                                             | Shelly, MN                                                                                                            |                                  | 1,997                                        | 1,866                              | 4                                       |  |
| 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | (1)                                                             | Fort Totten, ND                                                                                                       |                                  | 335                                          | 316                                | 5                                       |  |
| 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | (1)                                                             | Grafton, ND                                                                                                           |                                  | 4,202                                        | 3,964                              | 6                                       |  |
| 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | (1)                                                             | Devils Lake, ND                                                                                                       |                                  | 475                                          | 444                                | 7                                       |  |
| 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | (1)                                                             | Bottineau, ND                                                                                                         |                                  | 1,194                                        | 1,116                              | 8                                       |  |
| 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | (1)                                                             | Wahpeton, ND                                                                                                          |                                  | 8,393                                        | 7,881                              | 9                                       |  |
| 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | (1)                                                             | Belcourt, ND                                                                                                          |                                  | 2,086                                        | 1,968                              | 10                                      |  |
| 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | (1)                                                             | Oakes, ND                                                                                                             |                                  | 78                                           | 75                                 | 11                                      |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                 |                                                                                                                       |                                  |                                              |                                    | 12                                      |  |
| See Footnote                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | (1)                                                             | Various Interconnect                                                                                                  |                                  | 237,606                                      | 222,062                            | 13                                      |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                 | (1)                                                                                                                   |                                  | 485                                          |                                    | 14                                      |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                 | (1)                                                                                                                   |                                  | -291,369                                     |                                    | 15                                      |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                 | (1)                                                                                                                   |                                  | -485                                         |                                    | 16                                      |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                 |                                                                                                                       |                                  |                                              |                                    | 17                                      |  |
| OATT                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | System                                                          | System                                                                                                                |                                  |                                              |                                    | 18                                      |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | See Footnote                                                    |                                                                                                                       |                                  |                                              |                                    | 19                                      |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                 |                                                                                                                       |                                  |                                              |                                    | 20                                      |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                 |                                                                                                                       |                                  |                                              |                                    | 21                                      |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                 |                                                                                                                       |                                  |                                              |                                    | 22                                      |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                 |                                                                                                                       |                                  |                                              |                                    | 23                                      |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                 |                                                                                                                       |                                  |                                              |                                    | 24                                      |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                 |                                                                                                                       |                                  |                                              |                                    | 25                                      |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                 |                                                                                                                       |                                  |                                              |                                    | 26                                      |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                 |                                                                                                                       |                                  |                                              |                                    | 27                                      |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                 |                                                                                                                       |                                  |                                              |                                    | 28                                      |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                 |                                                                                                                       |                                  |                                              |                                    | 29                                      |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                 |                                                                                                                       |                                  |                                              |                                    | 30                                      |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                 |                                                                                                                       |                                  |                                              |                                    | 31                                      |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                 |                                                                                                                       |                                  |                                              |                                    | 32                                      |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                 |                                                                                                                       |                                  |                                              |                                    | 33                                      |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                 |                                                                                                                       |                                  |                                              |                                    | 34                                      |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                 |                                                                                                                       | 0                                | -29,870                                      | 244,524                            |                                         |  |

|                                                |                                                                                                                       |                                              |                                         |
|------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------|-----------------------------------------|
| Name of Respondent<br>Otter Tail Power Company | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |
|------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------|-----------------------------------------|

TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456) (Continued)  
(Including transactions referred to as 'wheeling')

9. In column (k) through (n), report the revenue amounts as shown on bills or vouchers. In column (k), provide revenues from demand charges related to the billing demand reported in column (h). In column (l), provide revenues from energy charges related to the amount of energy transferred. In column (m), provide the total revenues from all other charges on bills or vouchers rendered, including out of period adjustments. Explain in a footnote all components of the amount shown in column (m). Report in column (n) the total charge shown on bills rendered to the entity Listed in column (a). If no monetary settlement was made, enter zero (11011) in column (n). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.

10. The total amounts in columns (i) and (j) must be reported as Transmission Received and Transmission Delivered for annual report purposes only on Page 401, Lines 16 and 17, respectively.

11. Footnote entries and provide explanations following all required data.

| REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS |                               |                                |                                       |             |
|-----------------------------------------------------|-------------------------------|--------------------------------|---------------------------------------|-------------|
| Demand Charges<br>(\$)<br>(k)                       | Energy Charges<br>(\$)<br>(l) | (Other Charges)<br>(\$)<br>(m) | Total Revenues (\$)<br>(k+l+m)<br>(n) | Line<br>No. |
| 9,510                                               |                               |                                | 9,510                                 | 1           |
| 25,881                                              |                               |                                | 25,881                                | 2           |
| 8,139                                               |                               |                                | 8,139                                 | 3           |
| 18,447                                              |                               |                                | 18,447                                | 4           |
| 1,389                                               |                               |                                | 1,389                                 | 5           |
| 20,885                                              |                               |                                | 20,885                                | 6           |
| 5,357                                               |                               |                                | 5,357                                 | 7           |
| 11,209                                              |                               |                                | 11,209                                | 8           |
| 91,939                                              |                               |                                | 91,939                                | 9           |
| 22,679                                              |                               |                                | 22,679                                | 10          |
| 2,113                                               |                               |                                | 2,113                                 | 11          |
|                                                     |                               | 4,653                          | 4,653                                 | 12          |
|                                                     | 221,448                       | 951,156                        | 1,172,604                             | 13          |
|                                                     |                               |                                |                                       | 14          |
|                                                     |                               |                                |                                       | 15          |
|                                                     |                               |                                |                                       | 16          |
|                                                     |                               | 1,220,442                      | 1,220,442                             | 17          |
|                                                     |                               | 37,385,585                     | 37,385,585                            | 18          |
|                                                     |                               |                                |                                       | 19          |
|                                                     |                               |                                |                                       | 20          |
|                                                     |                               |                                |                                       | 21          |
|                                                     |                               |                                |                                       | 22          |
|                                                     |                               |                                |                                       | 23          |
|                                                     |                               |                                |                                       | 24          |
|                                                     |                               |                                |                                       | 25          |
|                                                     |                               |                                |                                       | 26          |
|                                                     |                               |                                |                                       | 27          |
|                                                     |                               |                                |                                       | 28          |
|                                                     |                               |                                |                                       | 29          |
|                                                     |                               |                                |                                       | 30          |
|                                                     |                               |                                |                                       | 31          |
|                                                     |                               |                                |                                       | 32          |
|                                                     |                               |                                |                                       | 33          |
|                                                     |                               |                                |                                       | 34          |
| 217,548                                             | 221,448                       | 39,561,836                     | 40,000,832                            |             |

|                                                |                                                                                                                       |                                              |                                  |
|------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------|----------------------------------|
| Name of Respondent<br>Otter Tail Power Company | This Report is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>2019/Q4 |
| FOOTNOTE DATA                                  |                                                                                                                       |                                              |                                  |

**Schedule Page: 328 Line No.: 13 Column: e**

Original Service Agreement No. 30 under Otter Tail Power Company FERC Electric Tariff, Original Volume No. 1

**Schedule Page: 328 Line No.: 16 Column: b**

Various companies

Miscellaneous losses - mwh received

**Schedule Page: 328 Line No.: 17 Column: b**

Generator Interconnection Agreements and/or Facility Service Agreements between various parties

**Schedule Page: 328 Line No.: 18 Column: m**

Midwest Independent System Operator Transmission

**Schedule Page: 328 Line No.: 19 Column: a**

Lines 1-10 Otter Tail Power Company wheels WAPA's portion of customers' load.

Line 11 Otter Tail Power Company wheels WAPA's total load to customer.

Line 12 Otter Tail Power Company wheels MPC's total load to various interconnects.

Lines 13-15 Contains losses and regulation that result from interconnects with various companies in the integrated system.

**Schedule Page: 328 Line No.: 19 Column: f**

(1) Various points of interconnect in the integrated system

| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                         | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |                                               | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019       | Year/Period of Report<br>End of 2019/Q4 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|----------------------------------------------------|-----------------------------------------|
| TRANSMISSION OF ELECTRICITY BY ISO/RTOs                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                         |                                                                                                                       |                                               |                                                    |                                         |
| <p>1. Report in Column (a) the Transmission Owner receiving revenue for the transmission of electricity by the ISO/RTO.</p> <p>2. Use a separate line of data for each distinct type of transmission service involving the entities listed in Column (a).</p> <p>3. In Column (b) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNO – Firm Network Service for Others, FNS – Firm Network Transmission Service for Self, LFP – Long-Term Firm Point-to-Point Transmission Service, OLF – Other Long-Term Firm Transmission Service, SFP – Short-Term Firm Point-to-Point Transmission Reservation, NF – Non-Firm Transmission Service, OS – Other Transmission Service and AD- Out-of-Period Adjustments. Use this code for any accounting adjustments or “true-ups” for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment. See General Instruction for definitions of codes.</p> <p>4. In column (c) identify the FERC Rate Schedule or tariff Number, on separate lines, list all FERC rate schedules or contract designations under which service, as identified in column (b) was provided.</p> <p>5. In column (d) report the revenue amounts as shown on bills or vouchers.</p> <p>6. Report in column (e) the total revenues distributed to the entity listed in column (a).</p> |                                                         |                                                                                                                       |                                               |                                                    |                                         |
| Line No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Payment Received by<br>(Transmission Owner Name)<br>(a) | Statistical<br>Classification<br>(b)                                                                                  | FERC Rate Schedule<br>or Tariff Number<br>(c) | Total Revenue by Rate<br>Schedule or Tariff<br>(d) | Total Revenue<br>(e)                    |
| 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Not Applicable                                          |                                                                                                                       |                                               |                                                    |                                         |
| 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                         |                                                                                                                       |                                               |                                                    |                                         |
| 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                         |                                                                                                                       |                                               |                                                    |                                         |
| 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                         |                                                                                                                       |                                               |                                                    |                                         |
| 5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                         |                                                                                                                       |                                               |                                                    |                                         |
| 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                         |                                                                                                                       |                                               |                                                    |                                         |
| 7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                         |                                                                                                                       |                                               |                                                    |                                         |
| 8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                         |                                                                                                                       |                                               |                                                    |                                         |
| 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                         |                                                                                                                       |                                               |                                                    |                                         |
| 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                         |                                                                                                                       |                                               |                                                    |                                         |
| 11                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                         |                                                                                                                       |                                               |                                                    |                                         |
| 12                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                         |                                                                                                                       |                                               |                                                    |                                         |
| 13                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                         |                                                                                                                       |                                               |                                                    |                                         |
| 14                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                         |                                                                                                                       |                                               |                                                    |                                         |
| 15                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                         |                                                                                                                       |                                               |                                                    |                                         |
| 16                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                         |                                                                                                                       |                                               |                                                    |                                         |
| 17                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                         |                                                                                                                       |                                               |                                                    |                                         |
| 18                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                         |                                                                                                                       |                                               |                                                    |                                         |
| 19                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                         |                                                                                                                       |                                               |                                                    |                                         |
| 20                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                         |                                                                                                                       |                                               |                                                    |                                         |
| 21                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                         |                                                                                                                       |                                               |                                                    |                                         |
| 22                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                         |                                                                                                                       |                                               |                                                    |                                         |
| 23                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                         |                                                                                                                       |                                               |                                                    |                                         |
| 24                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                         |                                                                                                                       |                                               |                                                    |                                         |
| 25                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                         |                                                                                                                       |                                               |                                                    |                                         |
| 26                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                         |                                                                                                                       |                                               |                                                    |                                         |
| 27                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                         |                                                                                                                       |                                               |                                                    |                                         |
| 28                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                         |                                                                                                                       |                                               |                                                    |                                         |
| 29                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                         |                                                                                                                       |                                               |                                                    |                                         |
| 30                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                         |                                                                                                                       |                                               |                                                    |                                         |
| 31                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                         |                                                                                                                       |                                               |                                                    |                                         |
| 32                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                         |                                                                                                                       |                                               |                                                    |                                         |
| 33                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                         |                                                                                                                       |                                               |                                                    |                                         |
| 34                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                         |                                                                                                                       |                                               |                                                    |                                         |
| 35                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                         |                                                                                                                       |                                               |                                                    |                                         |
| 36                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                         |                                                                                                                       |                                               |                                                    |                                         |
| 37                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                         |                                                                                                                       |                                               |                                                    |                                         |
| 38                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                         |                                                                                                                       |                                               |                                                    |                                         |
| 39                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                         |                                                                                                                       |                                               |                                                    |                                         |
| 40                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | TOTAL                                                   |                                                                                                                       |                                               |                                                    |                                         |

| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | This Report Is:<br>(1) <input checked="checked" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |                              |                                                    |                         |                        |                                     |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|-----------------------------------------|------------------------------|----------------------------------------------------|-------------------------|------------------------|-------------------------------------|
| TRANSMISSION OF ELECTRICITY BY OTHERS (Account 565)<br>(Including transactions referred to as "wheeling")                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                              |                                              |                                         |                              |                                                    |                         |                        |                                     |
| 1. Report all transmission, i.e. wheeling or electricity provided by other electric utilities, cooperatives, municipalities, other public authorities, qualifying facilities, and others for the quarter.<br>2. In column (a) report each company or public authority that provided transmission service. Provide the full name of the company, abbreviate if necessary, but do not truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation with the transmission service provider. Use additional columns as necessary to report all companies or public authorities that provided transmission service for the quarter reported.<br>3. In column (b) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNS - Firm Network Transmission Service for Self, LFP - Long-Term Firm Point-to-Point Transmission Reservations. OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point-to-Point Transmission Reservations, NF - Non-Firm Transmission Service, and OS - Other Transmission Service. See General Instructions for definitions of statistical classifications.<br>4. Report in column (c) and (d) the total megawatt hours received and delivered by the provider of the transmission service.<br>5. Report in column (e), (f) and (g) expenses as shown on bills or vouchers rendered to the respondent. In column (e) report the demand charges and in column (f) energy charges related to the amount of energy transferred. On column (g) report the total of all other charges on bills or vouchers rendered to the respondent, including any out of period adjustments. Explain in a footnote all components of the amount shown in column (g). Report in column (h) the total charge shown on bills rendered to the respondent. If no monetary settlement was made, enter zero in column (h). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.<br>6. Enter "TOTAL" in column (a) as the last line.<br>7. Footnote entries and provide explanations following all required data. |                                                                                                                              |                                              |                                         |                              |                                                    |                         |                        |                                     |
| Line No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Name of Company or Public Authority (Footnote Affiliations) (a)                                                              | Statistical Classification (b)               | TRANSFER OF ENERGY                      |                              | EXPENSES FOR TRANSMISSION OF ELECTRICITY BY OTHERS |                         |                        |                                     |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                              |                                              | Megawatt-hours Received (c)             | Megawatt-hours Delivered (d) | Demand Charges (\$) (e)                            | Energy Charges (\$) (f) | Other Charges (\$) (g) | Total Cost of Transmission (\$) (h) |
| 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Otter Tail Power Co.                                                                                                         | FNS                                          |                                         |                              |                                                    |                         | 5,395,863              | 5,395,863                           |
| 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                              |                                              |                                         |                              |                                                    |                         |                        |                                     |
| 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                              |                                              |                                         |                              |                                                    |                         |                        |                                     |
| 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                              |                                              |                                         |                              |                                                    |                         |                        |                                     |
| 5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                              |                                              |                                         |                              |                                                    |                         |                        |                                     |
| 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                              |                                              |                                         |                              |                                                    |                         |                        |                                     |
| 7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                              |                                              |                                         |                              |                                                    |                         |                        |                                     |
| 8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                              |                                              |                                         |                              |                                                    |                         |                        |                                     |
| 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                              |                                              |                                         |                              |                                                    |                         |                        |                                     |
| 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                              |                                              |                                         |                              |                                                    |                         |                        |                                     |
| 11                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                              |                                              |                                         |                              |                                                    |                         |                        |                                     |
| 12                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                              |                                              |                                         |                              |                                                    |                         |                        |                                     |
| 13                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                              |                                              |                                         |                              |                                                    |                         |                        |                                     |
| 14                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                              |                                              |                                         |                              |                                                    |                         |                        |                                     |
| 15                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                              |                                              |                                         |                              |                                                    |                         |                        |                                     |
| 16                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                              |                                              |                                         |                              |                                                    |                         |                        |                                     |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | TOTAL                                                                                                                        |                                              |                                         |                              |                                                    |                         | 5,395,863              | 5,395,863                           |

| Name of Respondent<br>Otter Tail Power Company            |                                                                      | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |
|-----------------------------------------------------------|----------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------|-----------------------------------------|
| MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (ELECTRIC) |                                                                      |                                                                                                                       |                                              |                                         |
| Line No.                                                  | Description (a)                                                      | Amount (b)                                                                                                            |                                              |                                         |
| 1                                                         | Industry Association Dues                                            | 272,595                                                                                                               |                                              |                                         |
| 2                                                         | Nuclear Power Research Expenses                                      |                                                                                                                       |                                              |                                         |
| 3                                                         | Other Experimental and General Research Expenses                     | 15,896                                                                                                                |                                              |                                         |
| 4                                                         | Pub & Dist Info to Stkhldrs...expn servicing outstanding Securities  | 190,597                                                                                                               |                                              |                                         |
| 5                                                         | Oth Expn >=5,000 show purpose, recipient, amount. Group if < \$5,000 |                                                                                                                       |                                              |                                         |
| 6                                                         |                                                                      |                                                                                                                       |                                              |                                         |
| 7                                                         | Miscellaneous labor                                                  | 149,079                                                                                                               |                                              |                                         |
| 8                                                         |                                                                      |                                                                                                                       |                                              |                                         |
| 9                                                         | Public Relations Expenses:                                           |                                                                                                                       |                                              |                                         |
| 10                                                        | Labor                                                                | 50,030                                                                                                                |                                              |                                         |
| 11                                                        | H2M Inc                                                              | 76,900                                                                                                                |                                              |                                         |
| 12                                                        | Minnesota Safety Council Inc                                         | 8,000                                                                                                                 |                                              |                                         |
| 13                                                        | Items less than \$5,000 each                                         | 18,378                                                                                                                |                                              |                                         |
| 14                                                        |                                                                      |                                                                                                                       |                                              |                                         |
| 15                                                        | Director Fees and Expense:                                           |                                                                                                                       |                                              |                                         |
| 16                                                        | Education & Training                                                 | 6,269                                                                                                                 |                                              |                                         |
| 17                                                        | Director Fees                                                        | 787,937                                                                                                               |                                              |                                         |
| 18                                                        | Items less than \$5,000 each                                         | 23,502                                                                                                                |                                              |                                         |
| 19                                                        |                                                                      |                                                                                                                       |                                              |                                         |
| 20                                                        | Strategic Planning Expenses:                                         |                                                                                                                       |                                              |                                         |
| 21                                                        | Labor                                                                | 229,813                                                                                                               |                                              |                                         |
| 22                                                        | Engstrom Consulting LLC                                              | 6,120                                                                                                                 |                                              |                                         |
| 23                                                        | Klp Consulting Services LLC                                          | 28,117                                                                                                                |                                              |                                         |
| 24                                                        | Suite 401 Consulting                                                 | 12,500                                                                                                                |                                              |                                         |
| 25                                                        | UtilAssist                                                           | 22,500                                                                                                                |                                              |                                         |
| 26                                                        | Items less than \$5,000 each                                         | 10,602                                                                                                                |                                              |                                         |
| 27                                                        |                                                                      |                                                                                                                       |                                              |                                         |
| 28                                                        |                                                                      |                                                                                                                       |                                              |                                         |
| 29                                                        |                                                                      |                                                                                                                       |                                              |                                         |
| 30                                                        |                                                                      |                                                                                                                       |                                              |                                         |
| 31                                                        |                                                                      |                                                                                                                       |                                              |                                         |
| 32                                                        |                                                                      |                                                                                                                       |                                              |                                         |
| 33                                                        |                                                                      |                                                                                                                       |                                              |                                         |
| 34                                                        |                                                                      |                                                                                                                       |                                              |                                         |
| 35                                                        |                                                                      |                                                                                                                       |                                              |                                         |
| 36                                                        |                                                                      |                                                                                                                       |                                              |                                         |
| 37                                                        |                                                                      |                                                                                                                       |                                              |                                         |
| 38                                                        |                                                                      |                                                                                                                       |                                              |                                         |
| 39                                                        |                                                                      |                                                                                                                       |                                              |                                         |
| 40                                                        |                                                                      |                                                                                                                       |                                              |                                         |
| 41                                                        |                                                                      |                                                                                                                       |                                              |                                         |
| 42                                                        |                                                                      |                                                                                                                       |                                              |                                         |
| 43                                                        |                                                                      |                                                                                                                       |                                              |                                         |
| 44                                                        |                                                                      |                                                                                                                       |                                              |                                         |
| 45                                                        |                                                                      |                                                                                                                       |                                              |                                         |
| 46                                                        | TOTAL                                                                | 1,908,835                                                                                                             |                                              |                                         |



|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                       |                                              |                                                                           |                                                                     |                                                       |              |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------|---------------------------------------------------------------------------|---------------------------------------------------------------------|-------------------------------------------------------|--------------|
| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4                                   |                                                                     |                                                       |              |
| DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Account 403, 404, 405)<br>(Except amortization of acquisition adjustments)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                       |                                              |                                                                           |                                                                     |                                                       |              |
| <p>1. Report in section A for the year the amounts for : (b) Depreciation Expense (Account 403; (c) Depreciation Expense for Asset Retirement Costs (Account 403.1; (d) Amortization of Limited-Term Electric Plant (Account 404); and (e) Amortization of Other Electric Plant (Account 405).</p> <p>2. Report in Section 8 the rates used to compute amortization charges for electric plant (Accounts 404 and 405). State the basis used to compute charges and whether any changes have been made in the basis or rates used from the preceding report year.</p> <p>3. Report all available information called for in Section C every fifth year beginning with report year 1971, reporting annually only changes to columns (c) through (g) from the complete report of the preceding year.</p> <p>Unless composite depreciation accounting for total depreciable plant is followed, list numerically in column (a) each plant subaccount, account or functional classification, as appropriate, to which a rate is applied. Identify at the bottom of Section C the type of plant included in any sub-account used.</p> <p>In column (b) report all depreciable plant balances to which rates are applied showing subtotals by functional Classifications and showing composite total. Indicate at the bottom of section C the manner in which column balances are obtained. If average balances, state the method of averaging used.</p> <p>For columns (c), (d), and (e) report available information for each plant subaccount, account or functional classification Listed in column (a). If plant mortality studies are prepared to assist in estimating average service Lives, show in column (f) the type mortality curve selected as most appropriate for the account and in column (g), if available, the weighted average remaining life of surviving plant. If composite depreciation accounting is used, report available information called for in columns (b) through (g) on this basis.</p> <p>4. If provisions for depreciation were made during the year in addition to depreciation provided by application of reported rates, state at the bottom of section C the amounts and nature of the provisions and the plant items to which related.</p> |                                                                                                                       |                                              |                                                                           |                                                                     |                                                       |              |
| A. Summary of Depreciation and Amortization Charges                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                       |                                              |                                                                           |                                                                     |                                                       |              |
| Line No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Functional Classification<br>(a)                                                                                      | Depreciation Expense<br>(Account 403)<br>(b) | Depreciation Expense for Asset Retirement Costs<br>(Account 403.1)<br>(c) | Amortization of Limited Term Electric Plant<br>(Account 404)<br>(d) | Amortization of Other Electric Plant (Acc 405)<br>(e) | Total<br>(f) |
| 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Intangible Plant                                                                                                      |                                              |                                                                           | 3,408,857                                                           |                                                       | 3,408,857    |
| 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Steam Production Plant                                                                                                | 17,058,848                                   | 123,998                                                                   |                                                                     |                                                       | 17,182,846   |
| 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Nuclear Production Plant                                                                                              |                                              |                                                                           |                                                                     |                                                       |              |
| 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Hydraulic Production Plant-Conventional                                                                               | 513,015                                      |                                                                           |                                                                     |                                                       | 513,015      |
| 5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Hydraulic Production Plant-Pumped Storage                                                                             |                                              |                                                                           |                                                                     |                                                       |              |
| 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Other Production Plant                                                                                                | 12,724,839                                   | 38,960                                                                    |                                                                     |                                                       | 12,763,799   |
| 7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Transmission Plant                                                                                                    | 9,724,848                                    |                                                                           |                                                                     |                                                       | 9,724,848    |
| 8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Distribution Plant                                                                                                    | 11,984,078                                   |                                                                           |                                                                     |                                                       | 11,984,078   |
| 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Regional Transmission and Market Operation                                                                            |                                              |                                                                           |                                                                     |                                                       |              |
| 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | General Plant                                                                                                         | 2,778,671                                    |                                                                           |                                                                     |                                                       | 2,778,671    |
| 11                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Common Plant-Electric                                                                                                 |                                              |                                                                           |                                                                     |                                                       |              |
| 12                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | TOTAL                                                                                                                 | 54,784,299                                   | 162,958                                                                   | 3,408,857                                                           |                                                       | 58,356,114   |
| B. Basis for Amortization Charges                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                       |                                              |                                                                           |                                                                     |                                                       |              |
| <p>The \$3,408,857 Amortization of limited term Electric Plant is:</p> <p>Franchise Consents (302):<br/>         \$41,845 for hydro plant license with a remaining life of 2.92 years at a rate of 3.214%</p> <p>Miscellaneous Intangible Plant (303):<br/>         \$1,698,531 for computer software with a 5-year service life at a rate of 20.0%<br/>         \$1,668,481 for computer software with a 10-year service life at a rate of 10.0%</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                       |                                              |                                                                           |                                                                     |                                                       |              |

| Name of Respondent<br>Otter Tail Power Company              |                    | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |                                    | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |                             |                               |
|-------------------------------------------------------------|--------------------|-----------------------------------------------------------------------------------------------------------------------|------------------------------------|----------------------------------------------|-----------------------------------------|-----------------------------|-------------------------------|
| DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued) |                    |                                                                                                                       |                                    |                                              |                                         |                             |                               |
| C. Factors Used in Estimating Depreciation Charges          |                    |                                                                                                                       |                                    |                                              |                                         |                             |                               |
| Line No.                                                    | Account No.<br>(a) | Depreciable Plant Base<br>(In Thousands)<br>(b)                                                                       | Estimated Avg. Service Life<br>(c) | Net Salvage (Percent)<br>(d)                 | Applied Depr. rates (Percent)<br>(e)    | Mortality Curve Type<br>(f) | Average Remaining Life<br>(g) |
| 12                                                          | STEAM PRODUCTION   |                                                                                                                       |                                    |                                              |                                         |                             |                               |
| 13                                                          | Big Stone Plant    |                                                                                                                       |                                    |                                              |                                         |                             |                               |
| 14                                                          | 311                | 54,001                                                                                                                | 34.23                              | -5.90                                        | 2.69                                    | SQ                          | 27.46                         |
| 15                                                          | 312                | 163,081                                                                                                               | 33.56                              | -5.90                                        | 3.19                                    | SQ                          | 27.47                         |
| 16                                                          | 314                | 11,469                                                                                                                | 42.74                              | -5.90                                        | 1.60                                    | SQ                          | 27.44                         |
| 17                                                          | 315                | 12,691                                                                                                                | 36.37                              | -5.90                                        | 2.43                                    | SQ                          | 27.46                         |
| 18                                                          | 316                | 1,823                                                                                                                 | 40.90                              | -5.90                                        | 2.29                                    | SQ                          | 27.44                         |
| 19                                                          |                    |                                                                                                                       |                                    |                                              |                                         |                             |                               |
| 20                                                          | Hoot Lake Plant    |                                                                                                                       |                                    |                                              |                                         |                             |                               |
| 21                                                          | 311 - Units 2, 3   | -284                                                                                                                  | 36.66                              | -15.50                                       | 3.12                                    | SQ                          | 3.48                          |
| 22                                                          | 312 - Units 2, 3   | 4,056                                                                                                                 | 14.55                              | -15.50                                       | 7.53                                    | SQ                          | 3.48                          |
| 23                                                          | 312.1 - Units 2, 3 | 7,298                                                                                                                 | 35.91                              |                                              | 2.18                                    | SQ                          | 32.08                         |
| 24                                                          | 314 - Units 2, 3   | 7                                                                                                                     | 23.62                              | -15.50                                       | 4.47                                    | SQ                          | 3.48                          |
| 25                                                          | 315 - Units 2, 3   | -42                                                                                                                   | 26.51                              | -15.50                                       | 4.02                                    | SQ                          | 3.48                          |
| 26                                                          | 316 - Units 2, 3   | 152                                                                                                                   | 13.49                              | -15.50                                       | 8.13                                    | SQ                          | 3.48                          |
| 27                                                          |                    |                                                                                                                       |                                    |                                              |                                         |                             |                               |
| 28                                                          | Coyote Plant       |                                                                                                                       |                                    |                                              |                                         |                             |                               |
| 29                                                          | 311                | 8,930                                                                                                                 | 50.49                              | -9.00                                        | 1.54                                    | SQ                          | 22.75                         |
| 30                                                          | 312                | 39,373                                                                                                                | 42.21                              | -9.00                                        | 2.07                                    | SQ                          | 22.77                         |
| 31                                                          | 314                | 10,413                                                                                                                | 38.27                              | -9.00                                        | 2.29                                    | SQ                          | 22.78                         |
| 32                                                          | 315                | 3,446                                                                                                                 | 47.90                              | -9.00                                        | 1.67                                    | SQ                          | 22.76                         |
| 33                                                          | 316                | 1,138                                                                                                                 | 35.00                              | -9.00                                        | 2.71                                    | SQ                          | 22.78                         |
| 34                                                          |                    |                                                                                                                       |                                    |                                              |                                         |                             |                               |
| 35                                                          |                    |                                                                                                                       |                                    |                                              |                                         |                             |                               |
| 36                                                          |                    |                                                                                                                       |                                    |                                              |                                         |                             |                               |
| 37                                                          | Hydro Production-  |                                                                                                                       |                                    |                                              |                                         |                             |                               |
| 38                                                          | Hoot Lake Hydro    |                                                                                                                       |                                    |                                              |                                         |                             |                               |
| 39                                                          | 331                | 1                                                                                                                     | 61.44                              |                                              | 0.23                                    | SQ                          | 3.48                          |
| 40                                                          | 332                | 22                                                                                                                    | 29.99                              |                                              | 2.09                                    | SQ                          | 3.48                          |
| 41                                                          | 333                | 5                                                                                                                     | 36.24                              |                                              | 1.42                                    | SQ                          | 3.48                          |
| 42                                                          | 334                | 2                                                                                                                     | 30.81                              |                                              | 1.95                                    | SQ                          | 3.48                          |
| 43                                                          | 335                | 19                                                                                                                    | 8.94                               |                                              | 11.09                                   | SQ                          | 3.48                          |
| 44                                                          |                    |                                                                                                                       |                                    |                                              |                                         |                             |                               |
| 45                                                          | Wright Hydro       |                                                                                                                       |                                    |                                              |                                         |                             |                               |
| 46                                                          | 331                | 2                                                                                                                     | 30.80                              |                                              | 2.95                                    | SQ                          | 3.48                          |
| 47                                                          | 332                | 310                                                                                                                   | 9.60                               |                                              | 9.99                                    | SQ                          | 3.48                          |
| 48                                                          | 333                | 70                                                                                                                    | 9.31                               |                                              | 3.70                                    | SQ                          | 3.48                          |
| 49                                                          | 334                | 38                                                                                                                    | 16.79                              |                                              | 5.38                                    | SQ                          | 3.48                          |
| 50                                                          | 335                | 32                                                                                                                    | 12.23                              |                                              | 8.02                                    | SQ                          | 3.48                          |

| Name of Respondent<br>Otter Tail Power Company              |                      | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |                                    | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |                             |                               |
|-------------------------------------------------------------|----------------------|-----------------------------------------------------------------------------------------------------------------------|------------------------------------|----------------------------------------------|-----------------------------------------|-----------------------------|-------------------------------|
| DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued) |                      |                                                                                                                       |                                    |                                              |                                         |                             |                               |
| C. Factors Used in Estimating Depreciation Charges          |                      |                                                                                                                       |                                    |                                              |                                         |                             |                               |
| Line No.                                                    | Account No.<br>(a)   | Depreciable Plant Base<br>(In Thousands)<br>(b)                                                                       | Estimated Avg. Service Life<br>(c) | Net Salvage (Percent)<br>(d)                 | Applied Depr. rates<br>(Percent)<br>(e) | Mortality Curve Type<br>(f) | Average Remaining Life<br>(g) |
| 12                                                          | Pisgah Hydro         |                                                                                                                       |                                    |                                              |                                         |                             |                               |
| 13                                                          | 331                  | 1                                                                                                                     | 38.87                              |                                              | 2.35                                    | SQ                          | 3.48                          |
| 14                                                          | 332                  | 100                                                                                                                   | 13.01                              |                                              | 7.63                                    | SQ                          | 3.48                          |
| 15                                                          | 333                  | 36                                                                                                                    | 15.93                              |                                              | 6.56                                    | SQ                          | 3.48                          |
| 16                                                          | 334                  | 22                                                                                                                    | 15.75                              |                                              | 6.18                                    | SQ                          | 3.48                          |
| 17                                                          | 335                  | 25                                                                                                                    | 8.94                               |                                              | 11.65                                   | SQ                          | 3.48                          |
| 18                                                          |                      |                                                                                                                       |                                    |                                              |                                         |                             |                               |
| 19                                                          | Dayton Hallow        |                                                                                                                       |                                    |                                              |                                         |                             |                               |
| 20                                                          | 331                  | 6                                                                                                                     | 9.96                               |                                              | 10.31                                   | SQ                          | 3.48                          |
| 21                                                          | 332                  | 453                                                                                                                   | 10.70                              |                                              | 10.07                                   | SQ                          | 3.48                          |
| 22                                                          | 333                  | 51                                                                                                                    | 14.21                              |                                              | 6.46                                    | SQ                          | 3.48                          |
| 23                                                          | 334                  | 30                                                                                                                    | 21.40                              |                                              | 4.50                                    | SQ                          | 3.48                          |
| 24                                                          | 335                  | 42                                                                                                                    | 8.96                               |                                              | 10.74                                   | SQ                          | 3.48                          |
| 25                                                          |                      |                                                                                                                       |                                    |                                              |                                         |                             |                               |
| 26                                                          | Taplin Gorge Hydro   |                                                                                                                       |                                    |                                              |                                         |                             |                               |
| 27                                                          | 331                  | 1                                                                                                                     | 74.62                              |                                              | 0.90                                    | SQ                          | 3.48                          |
| 28                                                          | 332                  | 128                                                                                                                   | 16.34                              |                                              | 6.12                                    | SQ                          | 3.48                          |
| 29                                                          | 333                  |                                                                                                                       | 82.29                              |                                              | 0.77                                    | SQ                          | 3.48                          |
| 30                                                          | 334                  | 8                                                                                                                     | 22.23                              |                                              | 3.93                                    | SQ                          | 3.48                          |
| 31                                                          | 335                  | 28                                                                                                                    | 11.77                              |                                              | 8.33                                    | SQ                          | 3.48                          |
| 32                                                          |                      |                                                                                                                       |                                    |                                              |                                         |                             |                               |
| 33                                                          | Bemidji Hydro        |                                                                                                                       |                                    |                                              |                                         |                             |                               |
| 34                                                          | 331                  | 54                                                                                                                    | 13.22                              |                                              | 7.70                                    | SQ                          | 3.48                          |
| 35                                                          | 332                  | 233                                                                                                                   | 13.04                              |                                              | 8.21                                    | SQ                          | 3.48                          |
| 36                                                          | 333                  | 64                                                                                                                    | 19.69                              |                                              | 5.71                                    | SQ                          | 3.48                          |
| 37                                                          | 334                  | 1                                                                                                                     | 73.11                              |                                              | 5.68                                    | SQ                          | 3.48                          |
| 38                                                          | 335                  |                                                                                                                       | 11.91                              |                                              | 9.53                                    | SQ                          | 3.48                          |
| 39                                                          |                      |                                                                                                                       |                                    |                                              |                                         |                             |                               |
| 40                                                          |                      |                                                                                                                       |                                    |                                              |                                         |                             |                               |
| 41                                                          |                      |                                                                                                                       |                                    |                                              |                                         |                             |                               |
| 42                                                          | Other Production-    |                                                                                                                       |                                    |                                              |                                         |                             |                               |
| 43                                                          | Jamestown Peaking #1 |                                                                                                                       |                                    |                                              |                                         |                             |                               |
| 44                                                          | 341                  | 65                                                                                                                    | 36.99                              | -5.90                                        | 1.88                                    | SQ                          | 15.18                         |
| 45                                                          | 342                  | 142                                                                                                                   | 28.21                              | -5.90                                        | 2.86                                    | SQ                          | 15.19                         |
| 46                                                          | 343                  | 674                                                                                                                   | 37.90                              | -5.90                                        | 1.85                                    | SQ                          | 15.18                         |
| 47                                                          | 345                  | 30                                                                                                                    | 55.82                              | -5.90                                        | 1.68                                    | SQ                          | 15.16                         |
| 48                                                          | 346                  | 40                                                                                                                    | 22.32                              | -5.90                                        | 3.47                                    | SQ                          | 15.19                         |
| 49                                                          |                      |                                                                                                                       |                                    |                                              |                                         |                             |                               |
| 50                                                          |                      |                                                                                                                       |                                    |                                              |                                         |                             |                               |

| Name of Respondent<br>Otter Tail Power Company              |                        | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |                                    | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |                             |                               |
|-------------------------------------------------------------|------------------------|-----------------------------------------------------------------------------------------------------------------------|------------------------------------|----------------------------------------------|-----------------------------------------|-----------------------------|-------------------------------|
| DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued) |                        |                                                                                                                       |                                    |                                              |                                         |                             |                               |
| C. Factors Used in Estimating Depreciation Charges          |                        |                                                                                                                       |                                    |                                              |                                         |                             |                               |
| Line No.                                                    | Account No.<br>(a)     | Depreciable Plant Base<br>(In Thousands)<br>(b)                                                                       | Estimated Avg. Service Life<br>(c) | Net Salvage (Percent)<br>(d)                 | Applied Depr. rates (Percent)<br>(e)    | Mortality Curve Type<br>(f) | Average Remaining Life<br>(g) |
| 12                                                          | Lake Preston Peaking   |                                                                                                                       |                                    |                                              |                                         |                             |                               |
| 13                                                          | 341                    | 38                                                                                                                    | 42.02                              | -6.90                                        | 1.52                                    | SQ                          | 15.18                         |
| 14                                                          | 342                    | 59                                                                                                                    | 39.91                              | -6.90                                        | 1.64                                    | SQ                          | 15.18                         |
| 15                                                          | 343                    | 508                                                                                                                   | 43.05                              | -6.90                                        | 1.47                                    | SQ                          | 15.18                         |
| 16                                                          | 345                    | 66                                                                                                                    | 41.99                              | -6.90                                        | 1.54                                    | SQ                          | 15.18                         |
| 17                                                          | 346                    | 2                                                                                                                     | 48.38                              | -6.90                                        | 0.92                                    | SQ                          | 15.17                         |
| 18                                                          |                        |                                                                                                                       |                                    |                                              |                                         |                             |                               |
| 19                                                          | Jamestown Peaking #2   |                                                                                                                       |                                    |                                              |                                         |                             |                               |
| 20                                                          | 341                    | 9                                                                                                                     | 27.54                              | -5.90                                        | 2.89                                    | SQ                          | 15.19                         |
| 21                                                          | 342                    | 5                                                                                                                     | 33.63                              | -5.90                                        | 1.29                                    | SQ                          | 15.17                         |
| 22                                                          | 343                    | 609                                                                                                                   | 43.16                              | -5.90                                        | 1.41                                    | SQ                          | 15.18                         |
| 23                                                          | 345                    | 40                                                                                                                    | 21.35                              | -5.90                                        | 4.05                                    | SQ                          | 15.19                         |
| 24                                                          | 346                    |                                                                                                                       | 45.54                              | -5.90                                        | -0.17                                   | SQ                          | 15.17                         |
| 25                                                          |                        |                                                                                                                       |                                    |                                              |                                         |                             |                               |
| 26                                                          | Fergus Falls Ctrl Ctr  |                                                                                                                       |                                    |                                              |                                         |                             |                               |
| 27                                                          | 343                    | 206                                                                                                                   | 34.10                              | -5.00                                        | 3.24                                    | SQ                          | 12.29                         |
| 28                                                          |                        |                                                                                                                       |                                    |                                              |                                         |                             |                               |
| 29                                                          | Solway Combust Turbine |                                                                                                                       |                                    |                                              |                                         |                             |                               |
| 30                                                          | 341                    | 2,867                                                                                                                 | 33.04                              | -1.60                                        | 3.08                                    | SQ                          | 19.96                         |
| 31                                                          | 342                    | 555                                                                                                                   | 33.55                              | -1.60                                        | 2.85                                    | SQ                          | 19.96                         |
| 32                                                          | 343                    | 13,305                                                                                                                | 33.08                              | -1.60                                        | 3.04                                    | SQ                          | 19.96                         |
| 33                                                          | 345                    | 777                                                                                                                   | 32.42                              | -1.60                                        | 3.05                                    | SQ                          | 19.96                         |
| 34                                                          | 346                    | 210                                                                                                                   | 31.09                              | -1.60                                        | 3.09                                    | SQ                          | 19.96                         |
| 35                                                          |                        |                                                                                                                       |                                    |                                              |                                         |                             |                               |
| 36                                                          | Langdon Wind Enrgy Ctr |                                                                                                                       |                                    |                                              |                                         |                             |                               |
| 37                                                          | 341                    | 1,393                                                                                                                 | 24.36                              | -4.00                                        | 4.22                                    | SQ                          | 14.23                         |
| 38                                                          | 344                    | 40,050                                                                                                                | 24.05                              | -4.00                                        | 4.34                                    | SQ                          | 14.23                         |
| 39                                                          | 345                    | 4,236                                                                                                                 | 23.86                              | -4.00                                        | 4.30                                    | SQ                          | 14.23                         |
| 40                                                          | 346                    | 46                                                                                                                    | 19.41                              | -4.00                                        | 5.20                                    | SQ                          | 14.23                         |
| 41                                                          |                        |                                                                                                                       |                                    |                                              |                                         |                             |                               |
| 42                                                          | Ashtabula Wind Energy  |                                                                                                                       |                                    |                                              |                                         |                             |                               |
| 43                                                          | 341                    | 1,944                                                                                                                 | 24.33                              | -3.50                                        | 4.17                                    | SQ                          | 15.19                         |
| 44                                                          | 344                    | 65,758                                                                                                                | 24.11                              | -3.50                                        | 4.29                                    | SQ                          | 15.19                         |
| 45                                                          | 345                    | 3,938                                                                                                                 | 23.97                              | -3.50                                        | 4.23                                    | SQ                          | 15.19                         |
| 46                                                          | 346                    | 20                                                                                                                    | 20.49                              | -3.50                                        | 4.96                                    | SQ                          | 15.20                         |
| 47                                                          |                        |                                                                                                                       |                                    |                                              |                                         |                             |                               |
| 48                                                          |                        |                                                                                                                       |                                    |                                              |                                         |                             |                               |
| 49                                                          |                        |                                                                                                                       |                                    |                                              |                                         |                             |                               |
| 50                                                          |                        |                                                                                                                       |                                    |                                              |                                         |                             |                               |

| Name of Respondent<br>Otter Tail Power Company              |                     | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |                                    | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |                             |                               |
|-------------------------------------------------------------|---------------------|-----------------------------------------------------------------------------------------------------------------------|------------------------------------|----------------------------------------------|-----------------------------------------|-----------------------------|-------------------------------|
| DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued) |                     |                                                                                                                       |                                    |                                              |                                         |                             |                               |
| C. Factors Used in Estimating Depreciation Charges          |                     |                                                                                                                       |                                    |                                              |                                         |                             |                               |
| Line No.                                                    | Account No.<br>(a)  | Depreciable Plant Base<br>(In Thousands)<br>(b)                                                                       | Estimated Avg. Service Life<br>(c) | Net Salvage (Percent)<br>(d)                 | Applied Depr. rates (Percent)<br>(e)    | Mortality Curve Type<br>(f) | Average Remaining Life<br>(g) |
| 12                                                          | Luverne Wind Energy |                                                                                                                       |                                    |                                              |                                         |                             |                               |
| 13                                                          | 341                 | 1,428                                                                                                                 | 24.31                              | -5.90                                        | 4.27                                    | SQ                          | 16.15                         |
| 14                                                          | 344                 | 42,588                                                                                                                | 24.12                              | -5.90                                        | 4.37                                    | SQ                          | 16.15                         |
| 15                                                          | 345                 | 3,065                                                                                                                 | 24.30                              | -5.90                                        | 4.27                                    | SQ                          | 16.15                         |
| 16                                                          | 346                 | 56                                                                                                                    | 20.60                              | -5.90                                        | 5.01                                    | SQ                          | 16.16                         |
| 17                                                          |                     |                                                                                                                       |                                    |                                              |                                         |                             |                               |
| 18                                                          |                     |                                                                                                                       |                                    |                                              |                                         |                             |                               |
| 19                                                          |                     |                                                                                                                       |                                    |                                              |                                         |                             |                               |
| 20                                                          | Transmission Plant  |                                                                                                                       |                                    |                                              |                                         |                             |                               |
| 21                                                          | 350.1               | 16,871                                                                                                                |                                    |                                              | 1.43                                    |                             | 70.00                         |
| 22                                                          | 353                 | 102,273                                                                                                               | 65.11                              | -5.00                                        | 1.56                                    | R1                          | 55.72                         |
| 23                                                          | 354                 | 104,919                                                                                                               | 75.00                              | -10.00                                       | 1.44                                    | R5                          | 70.63                         |
| 24                                                          | 355                 | 70,652                                                                                                                | 75.27                              | -50.00                                       | 1.82                                    | R2                          | 58.91                         |
| 25                                                          | 356                 | 88,865                                                                                                                | 75.10                              | -30.00                                       | 1.56                                    | R2                          | 62.70                         |
| 26                                                          | 358                 | 3                                                                                                                     | 50.53                              | -5.00                                        | 0.61                                    | S4                          | 14.97                         |
| 27                                                          | SUBTOTAL            | 887,648                                                                                                               |                                    |                                              |                                         |                             |                               |
| 28                                                          |                     |                                                                                                                       |                                    |                                              |                                         |                             |                               |
| 29                                                          | Distribution Plant  |                                                                                                                       |                                    |                                              |                                         |                             |                               |
| 30                                                          | 362                 | 59,378                                                                                                                | 43.47                              | 5.00                                         | 1.93                                    | SC                          | 34.81                         |
| 31                                                          | 364                 | 31,767                                                                                                                | 70.07                              | -100.00                                      | 2.90                                    | R3                          | 48.98                         |
| 32                                                          | 365                 | 11,430                                                                                                                | 65.22                              | -75.00                                       | 2.23                                    | R2.5                        | 43.27                         |
| 33                                                          | 367                 | 44,123                                                                                                                | 44.83                              | -5.00                                        | 2.04                                    | R4                          | 28.66                         |
| 34                                                          | 368                 | 88,020                                                                                                                | 42.99                              | 30.00                                        | 1.80                                    | R2.5                        | 30.70                         |
| 35                                                          | 369                 | -2,675                                                                                                                | 55.27                              | -200.00                                      | 5.80                                    | S5                          | 31.01                         |
| 36                                                          | 369.1               | 24,064                                                                                                                | 50.10                              | -20.00                                       | 2.21                                    | R4                          | 34.03                         |
| 37                                                          | 370                 | 18,562                                                                                                                | 29.28                              |                                              | 3.46                                    | L1                          | 19.76                         |
| 38                                                          | 370.1               | 505                                                                                                                   | 15.15                              |                                              | 1.89                                    | R5                          | 3.00                          |
| 39                                                          | 370.2               |                                                                                                                       | 5.00                               |                                              | 20.00                                   | SQ-Amortized                |                               |
| 40                                                          | 371.2               | 4,495                                                                                                                 | 25.96                              |                                              | 3.39                                    | O3                          | 24.39                         |
| 41                                                          | 373                 | 3,196                                                                                                                 | 22.60                              | -5.00                                        | 3.88                                    | L0.5                        | 15.09                         |
| 42                                                          | SUBTOTAL            | 282,865                                                                                                               |                                    |                                              |                                         |                             |                               |
| 43                                                          |                     |                                                                                                                       |                                    |                                              |                                         |                             |                               |
| 44                                                          | General Plant       |                                                                                                                       |                                    |                                              |                                         |                             |                               |
| 45                                                          | 390                 | 14,106                                                                                                                | 50.85                              | 5.00                                         | 1.89                                    | R1                          | 34.19                         |
| 46                                                          | 390.1               | 3,584                                                                                                                 | 40.82                              | 47.30                                        | 0.54                                    | SQ                          | 21.83                         |
| 47                                                          | 390.2               | 407                                                                                                                   | 39.42                              | 31.20                                        | 0.72                                    | SQ                          | 17.09                         |
| 48                                                          | 390.3               | 2,624                                                                                                                 | 57.40                              | 79.00                                        | -0.65                                   | SQ                          | 26.47                         |
| 49                                                          |                     |                                                                                                                       |                                    |                                              |                                         |                             |                               |
| 50                                                          |                     |                                                                                                                       |                                    |                                              |                                         |                             |                               |

| Name of Respondent<br>Otter Tail Power Company              |                        | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |                                    | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |                             |                               |
|-------------------------------------------------------------|------------------------|-----------------------------------------------------------------------------------------------------------------------|------------------------------------|----------------------------------------------|-----------------------------------------|-----------------------------|-------------------------------|
| DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued) |                        |                                                                                                                       |                                    |                                              |                                         |                             |                               |
| C. Factors Used in Estimating Depreciation Charges          |                        |                                                                                                                       |                                    |                                              |                                         |                             |                               |
| Line No.                                                    | Account No.<br>(a)     | Depreciable Plant Base<br>(In Thousands)<br>(b)                                                                       | Estimated Avg. Service Life<br>(c) | Net Salvage (Percent)<br>(d)                 | Applied Depr. rates (Percent)<br>(e)    | Mortality Curve Type<br>(f) | Average Remaining Life<br>(g) |
| 12                                                          | General Plant (cont'd) |                                                                                                                       |                                    |                                              |                                         |                             |                               |
| 13                                                          | 391                    | 331                                                                                                                   | 15.00                              |                                              | 6.67                                    | SQ-Amortized                | 6.17                          |
| 14                                                          | 391.1                  | 174                                                                                                                   | 10.00                              |                                              | 10.00                                   | SQ-Amortized                | 3.20                          |
| 15                                                          | 391.2                  | 146                                                                                                                   | 10.00                              |                                              | 10.00                                   | SQ-Amortized                | 3.87                          |
| 16                                                          | 391.5                  | 2,454                                                                                                                 | 5.00                               |                                              | 20.00                                   | SQ-Amortized                | 2.64                          |
| 17                                                          | 391.6                  | 361                                                                                                                   | 5.00                               |                                              | 20.00                                   | SQ-Amortized                | 1.59                          |
| 18                                                          | 392                    | 16,473                                                                                                                |                                    |                                              |                                         |                             |                               |
| 19                                                          | Aircraft               | 2,712                                                                                                                 | 10.00                              | 25.00                                        |                                         |                             |                               |
| 20                                                          | Autos                  |                                                                                                                       | 5.00                               | 15.00                                        |                                         |                             |                               |
| 21                                                          | Light Trucks           |                                                                                                                       | 10.00                              | 10.00                                        |                                         |                             |                               |
| 22                                                          | Heavy Trucks & Semi    |                                                                                                                       | 10.00                              | 15.00                                        |                                         |                             |                               |
| 23                                                          | Tractors (Includes     |                                                                                                                       | 10.00                              | 15.00                                        |                                         |                             |                               |
| 24                                                          | Cranes)                |                                                                                                                       |                                    |                                              |                                         |                             |                               |
| 25                                                          | Trailers               |                                                                                                                       | 15.00                              | 10.00                                        |                                         |                             |                               |
| 26                                                          | Portable Oil Purifier  |                                                                                                                       | 10.00                              | 20.00                                        |                                         |                             |                               |
| 27                                                          | Trenchers              |                                                                                                                       | 10.00                              | 10.00                                        |                                         |                             |                               |
| 28                                                          | Misc Light Equip       |                                                                                                                       | 10.00                              | 10.00                                        |                                         |                             |                               |
| 29                                                          | Misc Heavy Equip       |                                                                                                                       | 15.00                              | 15.00                                        |                                         |                             |                               |
| 30                                                          | 394                    | 2,063                                                                                                                 | 15.00                              |                                              | 6.67                                    | SQ- Amortized               | 8.10                          |
| 31                                                          | 394.2                  | 424                                                                                                                   | 15.00                              |                                              | 6.67                                    | SQ- Amortized               | 4.84                          |
| 32                                                          | 395                    |                                                                                                                       | 15.00                              |                                              | 6.67                                    | SQ- Amortized               |                               |
| 33                                                          | 396                    | 741                                                                                                                   | 24.79                              | 5.00                                         | 4.41                                    | L0                          | 17.09                         |
| 34                                                          | 397                    | 2,133                                                                                                                 | 15.00                              |                                              | 6.67                                    | SQ-Amortized                | 12.29                         |
| 35                                                          | 397.1                  | 267                                                                                                                   | 10.00                              |                                              | 10.00                                   | SQ- Amortized               | 3.17                          |
| 36                                                          | 397.2                  | 2,079                                                                                                                 | 15.00                              |                                              | 6.67                                    | SQ- Amortized               | 7.30                          |
| 37                                                          | 397.3                  | 217                                                                                                                   | 10.00                              |                                              | 10.00                                   | SQ- Amortized               | 5.02                          |
| 38                                                          | 397.4                  | 918                                                                                                                   | 50.32                              | -5.00                                        | 1.66                                    | R2.5                        | 32.70                         |
| 39                                                          | SUBTOTAL               | 52,214                                                                                                                |                                    |                                              |                                         |                             |                               |
| 40                                                          |                        |                                                                                                                       |                                    |                                              |                                         |                             |                               |
| 41                                                          | Total                  | 1,222,727                                                                                                             |                                    |                                              |                                         |                             |                               |
| 42                                                          |                        |                                                                                                                       |                                    |                                              |                                         |                             |                               |
| 43                                                          | SUBACCOUNTS USED       |                                                                                                                       |                                    |                                              |                                         |                             |                               |
| 44                                                          |                        |                                                                                                                       |                                    |                                              |                                         |                             |                               |
| 45                                                          |                        |                                                                                                                       |                                    |                                              |                                         |                             |                               |
| 46                                                          |                        |                                                                                                                       |                                    |                                              |                                         |                             |                               |
| 47                                                          |                        |                                                                                                                       |                                    |                                              |                                         |                             |                               |
| 48                                                          |                        |                                                                                                                       |                                    |                                              |                                         |                             |                               |
| 49                                                          |                        |                                                                                                                       |                                    |                                              |                                         |                             |                               |
| 50                                                          |                        |                                                                                                                       |                                    |                                              |                                         |                             |                               |

|                                                |                                                                                                                       |                                              |                                  |
|------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------|----------------------------------|
| Name of Respondent<br>Otter Tail Power Company | This Report is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>2019/Q4 |
| FOOTNOTE DATA                                  |                                                                                                                       |                                              |                                  |

**Schedule Page: 336.4 Line No.: 43 Column: b**

**SUBACCOUNTS USED**

312.1 Ash Landfills  
350.1 Easements  
369.1 Underground Services  
370.1 Load Management Switches  
370.2 Interruption Monitors  
371.2 All Other Private Lighting  
390.1 General Office Building  
390.2 Fleet Service Center Building  
390.3 Central Stores Building  
391.1 Office Equipment  
391.2 Duplication Equipment  
391.5 Computer Systems  
391.6 Computer Related Equipment  
394.2 AMR Equipment  
397.1 Radio Telecommunication Equipment  
397.2 Microwave Equipment  
397.3 Radio Load Control Equipment  
397.4 Communication Towers

Column (b) is the balance of plant in service (except land) at the beginning of the year, less the associated reserve for accumulated depreciation and includes amounts tentatively classified in Account 106, Completed Construction Not Classified.

Column (e) rates are applied to the original cost per books (accounts 101 and 106) from the close of the prior month except when major additions and retirements occur which significantly affect depreciation expense.

Column (d) factors are a composite of rates allowed in the jurisdictions served.

| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                               | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |                                  | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019             | Year/Period of Report<br>End of 2019/Q4                        |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------------------------------|----------------------------------------------------------------|
| REGULATORY COMMISSION EXPENSES                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                               |                                                                                                                       |                                  |                                                          |                                                                |
| <p>1. Report particulars (details) of regulatory commission expenses incurred during the current year (or incurred in previous years, if being amortized) relating to format cases before a regulatory body, or cases in which such a body was a party.</p> <p>2. Report in columns (b) and (c), only the current year's expenses that are not deferred and the current year's amortization of amounts deferred in previous years.</p> |                                                                                                                               |                                                                                                                       |                                  |                                                          |                                                                |
| Line No.                                                                                                                                                                                                                                                                                                                                                                                                                               | Description<br>(Furnish name of regulatory commission or body the docket or case number and a description of the case)<br>(a) | Assessed by<br>Regulatory<br>Commission<br>(b)                                                                        | Expenses<br>of<br>Utility<br>(c) | Total<br>Expense for<br>Current Year<br>(b) + (c)<br>(d) | Deferred<br>in Account<br>182.3 at<br>Beginning of Year<br>(e) |
| 1                                                                                                                                                                                                                                                                                                                                                                                                                                      | Regulatory Agency Assessments:                                                                                                |                                                                                                                       |                                  |                                                          |                                                                |
| 2                                                                                                                                                                                                                                                                                                                                                                                                                                      | MN Dept. of Commerce/Public Util. Commission                                                                                  | 514,421                                                                                                               |                                  | 514,421                                                  |                                                                |
| 3                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                               |                                                                                                                       |                                  |                                                          |                                                                |
| 4                                                                                                                                                                                                                                                                                                                                                                                                                                      | ND Public Service Commission                                                                                                  | 978                                                                                                                   |                                  | 978                                                      |                                                                |
| 5                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                               |                                                                                                                       |                                  |                                                          |                                                                |
| 6                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                               |                                                                                                                       |                                  |                                                          |                                                                |
| 7                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                               |                                                                                                                       |                                  |                                                          |                                                                |
| 8                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                               |                                                                                                                       |                                  |                                                          |                                                                |
| 9                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                               |                                                                                                                       |                                  |                                                          |                                                                |
| 10                                                                                                                                                                                                                                                                                                                                                                                                                                     | Other Expenses:                                                                                                               |                                                                                                                       |                                  |                                                          |                                                                |
| 11                                                                                                                                                                                                                                                                                                                                                                                                                                     | MN Public Utilities Commission:                                                                                               |                                                                                                                       |                                  |                                                          |                                                                |
| 12                                                                                                                                                                                                                                                                                                                                                                                                                                     | E017/GR-15-1033 (MN Rate Case)                                                                                                |                                                                                                                       | 191,538                          | 191,538                                                  |                                                                |
| 13                                                                                                                                                                                                                                                                                                                                                                                                                                     | E017/D-18-568 (2018 Depreciation Filing)                                                                                      |                                                                                                                       | 33,640                           | 33,640                                                   |                                                                |
| 14                                                                                                                                                                                                                                                                                                                                                                                                                                     | E017/M-19-260 (2018 Safety Reliability)                                                                                       |                                                                                                                       | 27,318                           | 27,318                                                   |                                                                |
| 15                                                                                                                                                                                                                                                                                                                                                                                                                                     | E999/AA-19-297 (2019 FCA Forecast)                                                                                            |                                                                                                                       | 44,198                           | 44,198                                                   |                                                                |
| 16                                                                                                                                                                                                                                                                                                                                                                                                                                     | Miscellaneous                                                                                                                 |                                                                                                                       | 91,546                           | 91,546                                                   |                                                                |
| 17                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                               |                                                                                                                       |                                  |                                                          |                                                                |
| 18                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                               |                                                                                                                       |                                  |                                                          |                                                                |
| 19                                                                                                                                                                                                                                                                                                                                                                                                                                     | ND Public Service Commission:                                                                                                 |                                                                                                                       |                                  |                                                          |                                                                |
| 20                                                                                                                                                                                                                                                                                                                                                                                                                                     | PU-17-398 ND Rate Case                                                                                                        |                                                                                                                       | 28,711                           | 28,711                                                   | 454,961                                                        |
| 21                                                                                                                                                                                                                                                                                                                                                                                                                                     | Miscellaneous                                                                                                                 |                                                                                                                       | 42,126                           | 42,126                                                   |                                                                |
| 22                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                               |                                                                                                                       |                                  |                                                          |                                                                |
| 23                                                                                                                                                                                                                                                                                                                                                                                                                                     | SD Public Utilities Commission:                                                                                               |                                                                                                                       |                                  |                                                          |                                                                |
| 24                                                                                                                                                                                                                                                                                                                                                                                                                                     | EL 18-021 (SD Rate Case)                                                                                                      |                                                                                                                       | 684,008                          | 684,008                                                  | 177,891                                                        |
| 25                                                                                                                                                                                                                                                                                                                                                                                                                                     | SD Gross Receipts Tax Assessment                                                                                              |                                                                                                                       | 52,526                           | 52,526                                                   |                                                                |
| 26                                                                                                                                                                                                                                                                                                                                                                                                                                     | Miscellaneous                                                                                                                 |                                                                                                                       | 33,353                           | 33,353                                                   |                                                                |
| 27                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                               |                                                                                                                       |                                  |                                                          |                                                                |
| 28                                                                                                                                                                                                                                                                                                                                                                                                                                     | FERC                                                                                                                          |                                                                                                                       |                                  |                                                          |                                                                |
| 29                                                                                                                                                                                                                                                                                                                                                                                                                                     | NERC & MRO Assessment                                                                                                         | 178,088                                                                                                               |                                  | 178,088                                                  |                                                                |
| 30                                                                                                                                                                                                                                                                                                                                                                                                                                     | Miscellaneous                                                                                                                 |                                                                                                                       | 446,992                          | 446,992                                                  |                                                                |
| 31                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                               |                                                                                                                       |                                  |                                                          |                                                                |
| 32                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                               |                                                                                                                       |                                  |                                                          |                                                                |
| 33                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                               |                                                                                                                       |                                  |                                                          |                                                                |
| 34                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                               |                                                                                                                       |                                  |                                                          |                                                                |
| 35                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                               |                                                                                                                       |                                  |                                                          |                                                                |
| 36                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                               |                                                                                                                       |                                  |                                                          |                                                                |
| 37                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                               |                                                                                                                       |                                  |                                                          |                                                                |
| 38                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                               |                                                                                                                       |                                  |                                                          |                                                                |
| 39                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                               |                                                                                                                       |                                  |                                                          |                                                                |
| 40                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                               |                                                                                                                       |                                  |                                                          |                                                                |
| 41                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                               |                                                                                                                       |                                  |                                                          |                                                                |
| 42                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                               |                                                                                                                       |                                  |                                                          |                                                                |
| 43                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                               |                                                                                                                       |                                  |                                                          |                                                                |
| 44                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                               |                                                                                                                       |                                  |                                                          |                                                                |
| 45                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                               |                                                                                                                       |                                  |                                                          |                                                                |
| 46                                                                                                                                                                                                                                                                                                                                                                                                                                     | TOTAL                                                                                                                         | 693,487                                                                                                               | 1,675,956                        | 2,369,443                                                | 632,852                                                        |



|                                                                                                                                      |                       |               |                                                                                                                       |                          |                                              |                                                    |                                         |  |
|--------------------------------------------------------------------------------------------------------------------------------------|-----------------------|---------------|-----------------------------------------------------------------------------------------------------------------------|--------------------------|----------------------------------------------|----------------------------------------------------|-----------------------------------------|--|
| Name of Respondent<br>Otter Tail Power Company                                                                                       |                       |               | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |                          | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 |                                                    | Year/Period of Report<br>End of 2019/Q4 |  |
| REGULATORY COMMISSION EXPENSES (Continued)                                                                                           |                       |               |                                                                                                                       |                          |                                              |                                                    |                                         |  |
| 3. Show in column (k) any expenses incurred in prior years which are being amortized. List in column (a) the period of amortization. |                       |               |                                                                                                                       |                          |                                              |                                                    |                                         |  |
| 4. List in column (f), (g), and (h) expenses incurred during year which were charged currently to income, plant, or other accounts.  |                       |               |                                                                                                                       |                          |                                              |                                                    |                                         |  |
| 5. Minor items (less than \$25,000) may be grouped.                                                                                  |                       |               |                                                                                                                       |                          |                                              |                                                    |                                         |  |
| EXPENSES INCURRED DURING YEAR                                                                                                        |                       |               |                                                                                                                       | AMORTIZED DURING YEAR    |                                              |                                                    |                                         |  |
| CURRENTLY CHARGED TO                                                                                                                 |                       |               | Deferred to<br>Account 182.3<br>(i)                                                                                   | Contra<br>Account<br>(j) | Amount<br>(k)                                | Deferred in<br>Account 182.3<br>End of Year<br>(l) | Line<br>No.                             |  |
| Department<br>(f)                                                                                                                    | Account<br>No.<br>(g) | Amount<br>(h) |                                                                                                                       |                          |                                              |                                                    |                                         |  |
|                                                                                                                                      |                       |               |                                                                                                                       |                          |                                              |                                                    | 1                                       |  |
| Electric                                                                                                                             | 928                   | 514,421       |                                                                                                                       |                          |                                              |                                                    | 2                                       |  |
|                                                                                                                                      |                       |               |                                                                                                                       |                          |                                              |                                                    | 3                                       |  |
| Electric                                                                                                                             | 928                   | 978           |                                                                                                                       |                          |                                              |                                                    | 4                                       |  |
|                                                                                                                                      |                       |               |                                                                                                                       |                          |                                              |                                                    | 5                                       |  |
|                                                                                                                                      |                       |               |                                                                                                                       |                          |                                              |                                                    | 6                                       |  |
|                                                                                                                                      |                       |               |                                                                                                                       |                          |                                              |                                                    | 7                                       |  |
|                                                                                                                                      |                       |               |                                                                                                                       |                          |                                              |                                                    | 8                                       |  |
|                                                                                                                                      |                       |               |                                                                                                                       |                          |                                              |                                                    | 9                                       |  |
|                                                                                                                                      |                       |               |                                                                                                                       |                          |                                              |                                                    | 10                                      |  |
|                                                                                                                                      |                       |               |                                                                                                                       |                          |                                              |                                                    | 11                                      |  |
| Electric                                                                                                                             | 928                   | 191,538       |                                                                                                                       |                          |                                              |                                                    | 12                                      |  |
| Electric                                                                                                                             | 928                   | 33,640        |                                                                                                                       |                          |                                              |                                                    | 13                                      |  |
| Electric                                                                                                                             | 928                   | 27,318        |                                                                                                                       |                          |                                              |                                                    | 14                                      |  |
| Electric                                                                                                                             | 928                   | 44,198        |                                                                                                                       |                          |                                              |                                                    | 15                                      |  |
| Electric                                                                                                                             | 928                   | 91,546        |                                                                                                                       |                          |                                              |                                                    | 16                                      |  |
|                                                                                                                                      |                       |               |                                                                                                                       |                          |                                              |                                                    | 17                                      |  |
|                                                                                                                                      |                       |               |                                                                                                                       |                          |                                              |                                                    | 18                                      |  |
|                                                                                                                                      |                       |               |                                                                                                                       |                          |                                              |                                                    | 19                                      |  |
| Electric                                                                                                                             | 928                   | 28,711        |                                                                                                                       |                          | -89,151                                      | 365,810                                            | 20                                      |  |
| Electric                                                                                                                             | 928                   | 42,126        |                                                                                                                       |                          |                                              |                                                    | 21                                      |  |
|                                                                                                                                      |                       |               |                                                                                                                       |                          |                                              |                                                    | 22                                      |  |
|                                                                                                                                      |                       |               |                                                                                                                       |                          |                                              |                                                    | 23                                      |  |
| Electric                                                                                                                             | 928                   | 684,008       | 333,313                                                                                                               |                          | -127,835                                     | 383,370                                            | 24                                      |  |
| Electric                                                                                                                             | 928                   | 52,526        |                                                                                                                       |                          |                                              |                                                    | 25                                      |  |
| Electric                                                                                                                             | 928                   | 33,353        |                                                                                                                       |                          |                                              |                                                    | 26                                      |  |
|                                                                                                                                      |                       |               |                                                                                                                       |                          |                                              |                                                    | 27                                      |  |
|                                                                                                                                      |                       |               |                                                                                                                       |                          |                                              |                                                    | 28                                      |  |
| Electric                                                                                                                             | 928                   | 178,088       |                                                                                                                       |                          |                                              |                                                    | 29                                      |  |
| Electric                                                                                                                             | 928                   | 446,992       |                                                                                                                       |                          |                                              |                                                    | 30                                      |  |
|                                                                                                                                      |                       |               |                                                                                                                       |                          |                                              |                                                    | 31                                      |  |
|                                                                                                                                      |                       |               |                                                                                                                       |                          |                                              |                                                    | 32                                      |  |
|                                                                                                                                      |                       |               |                                                                                                                       |                          |                                              |                                                    | 33                                      |  |
|                                                                                                                                      |                       |               |                                                                                                                       |                          |                                              |                                                    | 34                                      |  |
|                                                                                                                                      |                       |               |                                                                                                                       |                          |                                              |                                                    | 35                                      |  |
|                                                                                                                                      |                       |               |                                                                                                                       |                          |                                              |                                                    | 36                                      |  |
|                                                                                                                                      |                       |               |                                                                                                                       |                          |                                              |                                                    | 37                                      |  |
|                                                                                                                                      |                       |               |                                                                                                                       |                          |                                              |                                                    | 38                                      |  |
|                                                                                                                                      |                       |               |                                                                                                                       |                          |                                              |                                                    | 39                                      |  |
|                                                                                                                                      |                       |               |                                                                                                                       |                          |                                              |                                                    | 40                                      |  |
|                                                                                                                                      |                       |               |                                                                                                                       |                          |                                              |                                                    | 41                                      |  |
|                                                                                                                                      |                       |               |                                                                                                                       |                          |                                              |                                                    | 42                                      |  |
|                                                                                                                                      |                       |               |                                                                                                                       |                          |                                              |                                                    | 43                                      |  |
|                                                                                                                                      |                       |               |                                                                                                                       |                          |                                              |                                                    | 44                                      |  |
|                                                                                                                                      |                       |               |                                                                                                                       |                          |                                              |                                                    | 45                                      |  |
|                                                                                                                                      |                       | 2,369,443     | 333,313                                                                                                               |                          | -216,986                                     | 749,180                                            | 46                                      |  |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                       |                                              |                                         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------|-----------------------------------------|
| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |
| RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACTIVITIES                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                       |                                              |                                         |
| 1. Describe and show below costs incurred and accounts charged during the year for technological research, development, and demonstration (R, D & D) project initiated, continued or concluded during the year. Report also support given to others during the year for jointly-sponsored projects. (Identify recipient regardless of affiliation.) For any R, D & D work carried with others, show separately the respondent's cost for the year and cost chargeable to others (See definition of research, development, and demonstration in Uniform System of Accounts).<br>2. Indicate in column (a) the applicable classification, as shown below:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                       |                                              |                                         |
| Classifications:<br><div style="display: flex; justify-content: space-between;"> <div style="width: 45%;">           A. Electric R, D &amp; D Performed Internally:<br/>           (1) Generation<br/>               a. hydroelectric<br/>                  i. Recreation fish and wildlife<br/>                  ii Other hydroelectric<br/>           b. Fossil-fuel steam<br/>           c. Internal combustion or gas turbine<br/>           d. Nuclear<br/>           e. Unconventional generation<br/>           f. Siting and heat rejection<br/>           (2) Transmission         </div> <div style="width: 45%;">           a. Overhead<br/>           b. Underground<br/>           (3) Distribution<br/>           (4) Regional Transmission and Market Operation<br/>           (5) Environment (other than equipment)<br/>           (6) Other (Classify and include items in excess of \$50,000.)<br/>           (7) Total Cost Incurred<br/>           B. Electric, R, D &amp; D Performed Externally:<br/>           (1) Research Support to the electrical Research Council or the Electric Power Research Institute         </div> </div> |                                                                                                                       |                                              |                                         |
| Line No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Classification (a)                                                                                                    | Description (b)                              |                                         |
| 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Electric Utility R&D                                                                                                  |                                              |                                         |
| 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                       |                                              |                                         |
| 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | PERFORMED INTERNALLY:                                                                                                 |                                              |                                         |
| 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Other                                                                                                                 | Miscellaneous                                |                                         |
| 5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Other                                                                                                                 | Miscellaneous                                |                                         |
| 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Other                                                                                                                 | Miscellaneous                                |                                         |
| 7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                       |                                              |                                         |
| 8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Sub-Total Performed Internally                                                                                        |                                              |                                         |
| 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                       |                                              |                                         |
| 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | PERFORMED EXTERNALLY:                                                                                                 |                                              |                                         |
| 11                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                       | Microbeam Technologies Inc                   |                                         |
| 12                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                       | E Source Companies LLC                       |                                         |
| 13                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                       |                                              |                                         |
| 14                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                       |                                              |                                         |
| 15                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                       |                                              |                                         |
| 16                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Sub-Total Performed Externally                                                                                        |                                              |                                         |
| 17                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                       |                                              |                                         |
| 18                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                       |                                              |                                         |
| 19                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                       |                                              |                                         |
| 20                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                       |                                              |                                         |
| 21                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                       |                                              |                                         |
| 22                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                       |                                              |                                         |
| 23                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                       |                                              |                                         |
| 24                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                       |                                              |                                         |
| 25                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                       |                                              |                                         |
| 26                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                       |                                              |                                         |
| 27                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                       |                                              |                                         |
| 28                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                       |                                              |                                         |
| 29                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                       |                                              |                                         |
| 30                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                       |                                              |                                         |
| 31                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                       |                                              |                                         |
| 32                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                       |                                              |                                         |
| 33                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                       |                                              |                                         |
| 34                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                       |                                              |                                         |
| 35                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | SUM OF ABOVE                                                                                                          |                                              |                                         |
| 36                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                       |                                              |                                         |
| 37                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                       |                                              |                                         |
| 38                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                       |                                              |                                         |

| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                  | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |               | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|---------------|----------------------------------------------|-----------------------------------------|
| RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACTIVITIES (Continued)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                  |                                                                                                                       |               |                                              |                                         |
| (2) Research Support to Edison Electric Institute<br>(3) Research Support to Nuclear Power Groups<br>(4) Research Support to Others (Classify)<br>(5) Total Cost Incurred<br>3. Include in column (c) all R, D & D items performed internally and in column (d) those items performed outside the company costing \$50,000 or more, briefly describing the specific area of R, D & D (such as safety, corrosion control, pollution, automation, measurement, insulation, type of appliance, etc.). Group items under \$50,000 by classifications and indicate the number of items grouped. Under Other, (A (6) and B (4)) classify items by type of R, D & D activity.<br>4. Show in column (e) the account number charged with expenses during the year or the account to which amounts were capitalized during the year, listing Account 107, Construction Work in Progress, first. Show in column (f) the amounts related to the account charged in column (e)<br>5. Show in column (g) the total unamortized accumulating of costs of projects. This total must equal the balance in Account 188, Research, Development, and Demonstration Expenditures, Outstanding at the end of the year.<br>6. If costs have not been segregated for R, D & D activities or projects, submit estimates for columns (c), (d), and (f) with such amounts identified by "Est."<br>7. Report separately research and related testing facilities operated by the respondent. |                                                  |                                                                                                                       |               |                                              |                                         |
| Costs Incurred Internally<br>Current Year<br>(c)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Costs Incurred Externally<br>Current Year<br>(d) | AMOUNTS CHARGED IN CURRENT YEAR                                                                                       |               | Unamortized<br>Accumulation<br>(g)           | Line<br>No.                             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                  | Account<br>(e)                                                                                                        | Amount<br>(f) |                                              |                                         |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                  |                                                                                                                       |               |                                              | 1                                       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                  |                                                                                                                       |               |                                              | 2                                       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                  |                                                                                                                       |               |                                              | 3                                       |
| 99                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                  | 588.0                                                                                                                 | 99            |                                              | 4                                       |
| 18,657                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                  | 920.0                                                                                                                 | 18,657        |                                              | 5                                       |
| 321                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                  | 930.2                                                                                                                 | 321           |                                              | 6                                       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                  |                                                                                                                       |               |                                              | 7                                       |
| 19,077                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                  |                                                                                                                       | 19,077        |                                              | 8                                       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                  |                                                                                                                       |               |                                              | 9                                       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                  |                                                                                                                       |               |                                              | 10                                      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 5,129                                            | 506.0                                                                                                                 | 5,129         |                                              | 11                                      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 15,575                                           | 930.2                                                                                                                 | 15,575        |                                              | 12                                      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                  |                                                                                                                       |               |                                              | 13                                      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                  |                                                                                                                       |               |                                              | 14                                      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                  |                                                                                                                       |               |                                              | 15                                      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 20,704                                           |                                                                                                                       | 20,704        |                                              | 16                                      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                  |                                                                                                                       |               |                                              | 17                                      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                  |                                                                                                                       |               |                                              | 18                                      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                  |                                                                                                                       |               |                                              | 19                                      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                  |                                                                                                                       |               |                                              | 20                                      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                  |                                                                                                                       |               |                                              | 21                                      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                  |                                                                                                                       |               |                                              | 22                                      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                  |                                                                                                                       |               |                                              | 23                                      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                  |                                                                                                                       |               |                                              | 24                                      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                  |                                                                                                                       |               |                                              | 25                                      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                  |                                                                                                                       |               |                                              | 26                                      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                  |                                                                                                                       |               |                                              | 27                                      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                  |                                                                                                                       |               |                                              | 28                                      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                  |                                                                                                                       |               |                                              | 29                                      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                  |                                                                                                                       |               |                                              | 30                                      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                  |                                                                                                                       |               |                                              | 31                                      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                  |                                                                                                                       |               |                                              | 32                                      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                  |                                                                                                                       |               |                                              | 33                                      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                  |                                                                                                                       |               |                                              | 34                                      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                  |                                                                                                                       |               |                                              | 35                                      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                  |                                                                                                                       |               |                                              | 36                                      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                  |                                                                                                                       |               |                                              | 37                                      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                  |                                                                                                                       |               |                                              | 38                                      |

| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |                                                            | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|----------------------------------------------|-----------------------------------------|
| DISTRIBUTION OF SALARIES AND WAGES                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                |                                                                                                                       |                                                            |                                              |                                         |
| Report below the distribution of total salaries and wages for the year. Segregate amounts originally charged to clearing accounts to Utility Departments, Construction, Plant Removals, and Other Accounts, and enter such amounts in the appropriate lines and columns provided. In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used. |                                                                |                                                                                                                       |                                                            |                                              |                                         |
| Line No.                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Classification<br>(a)                                          | Direct Payroll Distribution<br>(b)                                                                                    | Allocation of Payroll charged for Clearing Accounts<br>(c) | Total<br>(d)                                 |                                         |
| 1                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Electric                                                       |                                                                                                                       |                                                            |                                              |                                         |
| 2                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Operation                                                      |                                                                                                                       |                                                            |                                              |                                         |
| 3                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Production                                                     | 10,109,284                                                                                                            |                                                            |                                              |                                         |
| 4                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Transmission                                                   | 4,436,194                                                                                                             |                                                            |                                              |                                         |
| 5                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Regional Market                                                | 747,750                                                                                                               |                                                            |                                              |                                         |
| 6                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Distribution                                                   | 6,353,768                                                                                                             |                                                            |                                              |                                         |
| 7                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Customer Accounts                                              | 7,506,656                                                                                                             |                                                            |                                              |                                         |
| 8                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Customer Service and Informational                             | 1,181,343                                                                                                             |                                                            |                                              |                                         |
| 9                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Sales                                                          | 157,241                                                                                                               |                                                            |                                              |                                         |
| 10                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Administrative and General                                     | 26,914,787                                                                                                            |                                                            |                                              |                                         |
| 11                                                                                                                                                                                                                                                                                                                                                                                                                                                           | TOTAL Operation (Enter Total of lines 3 thru 10)               | 57,407,023                                                                                                            |                                                            |                                              |                                         |
| 12                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Maintenance                                                    |                                                                                                                       |                                                            |                                              |                                         |
| 13                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Production                                                     | 5,868,790                                                                                                             |                                                            |                                              |                                         |
| 14                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Transmission                                                   | 1,858,791                                                                                                             |                                                            |                                              |                                         |
| 15                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Regional Market                                                | 36,043                                                                                                                |                                                            |                                              |                                         |
| 16                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Distribution                                                   | 5,867,278                                                                                                             |                                                            |                                              |                                         |
| 17                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Administrative and General                                     | 1,662,427                                                                                                             |                                                            |                                              |                                         |
| 18                                                                                                                                                                                                                                                                                                                                                                                                                                                           | TOTAL Maintenance (Total of lines 13 thru 17)                  | 15,293,329                                                                                                            |                                                            |                                              |                                         |
| 19                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Total Operation and Maintenance                                |                                                                                                                       |                                                            |                                              |                                         |
| 20                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Production (Enter Total of lines 3 and 13)                     | 15,978,074                                                                                                            |                                                            |                                              |                                         |
| 21                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Transmission (Enter Total of lines 4 and 14)                   | 6,294,985                                                                                                             |                                                            |                                              |                                         |
| 22                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Regional Market (Enter Total of Lines 5 and 15)                | 783,793                                                                                                               |                                                            |                                              |                                         |
| 23                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Distribution (Enter Total of lines 6 and 16)                   | 12,221,046                                                                                                            |                                                            |                                              |                                         |
| 24                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Customer Accounts (Transcribe from line 7)                     | 7,506,656                                                                                                             |                                                            |                                              |                                         |
| 25                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Customer Service and Informational (Transcribe from line 8)    | 1,181,343                                                                                                             |                                                            |                                              |                                         |
| 26                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Sales (Transcribe from line 9)                                 | 157,241                                                                                                               |                                                            |                                              |                                         |
| 27                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Administrative and General (Enter Total of lines 10 and 17)    | 28,577,214                                                                                                            |                                                            |                                              |                                         |
| 28                                                                                                                                                                                                                                                                                                                                                                                                                                                           | TOTAL Oper. and Maint. (Total of lines 20 thru 27)             | 72,700,352                                                                                                            |                                                            | 72,700,352                                   |                                         |
| 29                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Gas                                                            |                                                                                                                       |                                                            |                                              |                                         |
| 30                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Operation                                                      |                                                                                                                       |                                                            |                                              |                                         |
| 31                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Production-Manufactured Gas                                    |                                                                                                                       |                                                            |                                              |                                         |
| 32                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Production-Nat. Gas (Including Expl. and Dev.)                 |                                                                                                                       |                                                            |                                              |                                         |
| 33                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Other Gas Supply                                               |                                                                                                                       |                                                            |                                              |                                         |
| 34                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Storage, LNG Terminaling and Processing                        |                                                                                                                       |                                                            |                                              |                                         |
| 35                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Transmission                                                   |                                                                                                                       |                                                            |                                              |                                         |
| 36                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Distribution                                                   |                                                                                                                       |                                                            |                                              |                                         |
| 37                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Customer Accounts                                              |                                                                                                                       |                                                            |                                              |                                         |
| 38                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Customer Service and Informational                             |                                                                                                                       |                                                            |                                              |                                         |
| 39                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Sales                                                          |                                                                                                                       |                                                            |                                              |                                         |
| 40                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Administrative and General                                     |                                                                                                                       |                                                            |                                              |                                         |
| 41                                                                                                                                                                                                                                                                                                                                                                                                                                                           | TOTAL Operation (Enter Total of lines 31 thru 40)              |                                                                                                                       |                                                            |                                              |                                         |
| 42                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Maintenance                                                    |                                                                                                                       |                                                            |                                              |                                         |
| 43                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Production-Manufactured Gas                                    |                                                                                                                       |                                                            |                                              |                                         |
| 44                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Production-Natural Gas (Including Exploration and Development) |                                                                                                                       |                                                            |                                              |                                         |
| 45                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Other Gas Supply                                               |                                                                                                                       |                                                            |                                              |                                         |
| 46                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Storage, LNG Terminaling and Processing                        |                                                                                                                       |                                                            |                                              |                                         |
| 47                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Transmission                                                   |                                                                                                                       |                                                            |                                              |                                         |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                |                                                                                                                       |                                                            |                                              |                                         |

| Name of Respondent<br>Otter Tail Power Company |                                                                    | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |                                                            | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |
|------------------------------------------------|--------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|----------------------------------------------|-----------------------------------------|
| DISTRIBUTION OF SALARIES AND WAGES (Continued) |                                                                    |                                                                                                                       |                                                            |                                              |                                         |
|                                                |                                                                    |                                                                                                                       |                                                            |                                              |                                         |
| Line No.                                       | Classification<br>(a)                                              | Direct Payroll Distribution<br>(b)                                                                                    | Allocation of Payroll charged for Clearing Accounts<br>(c) | Total<br>(d)                                 |                                         |
| 48                                             | Distribution                                                       |                                                                                                                       |                                                            |                                              |                                         |
| 49                                             | Administrative and General                                         |                                                                                                                       |                                                            |                                              |                                         |
| 50                                             | TOTAL Maint. (Enter Total of lines 43 thru 49)                     |                                                                                                                       |                                                            |                                              |                                         |
| 51                                             | Total Operation and Maintenance                                    |                                                                                                                       |                                                            |                                              |                                         |
| 52                                             | Production-Manufactured Gas (Enter Total of lines 31 and 43)       |                                                                                                                       |                                                            |                                              |                                         |
| 53                                             | Production-Natural Gas (Including Expl. and Dev.) (Total lines 32, |                                                                                                                       |                                                            |                                              |                                         |
| 54                                             | Other Gas Supply (Enter Total of lines 33 and 45)                  |                                                                                                                       |                                                            |                                              |                                         |
| 55                                             | Storage, LNG Terminating and Processing (Total of lines 31 thru    |                                                                                                                       |                                                            |                                              |                                         |
| 56                                             | Transmission (Lines 35 and 47)                                     |                                                                                                                       |                                                            |                                              |                                         |
| 57                                             | Distribution (Lines 36 and 48)                                     |                                                                                                                       |                                                            |                                              |                                         |
| 58                                             | Customer Accounts (Line 37)                                        |                                                                                                                       |                                                            |                                              |                                         |
| 59                                             | Customer Service and Informational (Line 38)                       |                                                                                                                       |                                                            |                                              |                                         |
| 60                                             | Sales (Line 39)                                                    |                                                                                                                       |                                                            |                                              |                                         |
| 61                                             | Administrative and General (Lines 40 and 49)                       |                                                                                                                       |                                                            |                                              |                                         |
| 62                                             | TOTAL Operation and Maint. (Total of lines 52 thru 61)             |                                                                                                                       |                                                            |                                              |                                         |
| 63                                             | Other Utility Departments                                          |                                                                                                                       |                                                            |                                              |                                         |
| 64                                             | Operation and Maintenance                                          |                                                                                                                       |                                                            |                                              |                                         |
| 65                                             | TOTAL All Utility Dept. (Total of lines 28, 62, and 64)            | 72,700,352                                                                                                            |                                                            | 72,700,352                                   |                                         |
| 66                                             | Utility Plant                                                      |                                                                                                                       |                                                            |                                              |                                         |
| 67                                             | Construction (By Utility Departments)                              |                                                                                                                       |                                                            |                                              |                                         |
| 68                                             | Electric Plant                                                     | 18,812,147                                                                                                            |                                                            | 18,812,147                                   |                                         |
| 69                                             | Gas Plant                                                          |                                                                                                                       |                                                            |                                              |                                         |
| 70                                             | Other (provide details in footnote):                               |                                                                                                                       |                                                            |                                              |                                         |
| 71                                             | TOTAL Construction (Total of lines 68 thru 70)                     | 18,812,147                                                                                                            |                                                            | 18,812,147                                   |                                         |
| 72                                             | Plant Removal (By Utility Departments)                             |                                                                                                                       |                                                            |                                              |                                         |
| 73                                             | Electric Plant                                                     | 360,510                                                                                                               |                                                            | 360,510                                      |                                         |
| 74                                             | Gas Plant                                                          |                                                                                                                       |                                                            |                                              |                                         |
| 75                                             | Other (provide details in footnote):                               |                                                                                                                       |                                                            |                                              |                                         |
| 76                                             | TOTAL Plant Removal (Total of lines 73 thru 75)                    | 360,510                                                                                                               |                                                            | 360,510                                      |                                         |
| 77                                             | Other Accounts (Specify, provide details in footnote):             |                                                                                                                       |                                                            |                                              |                                         |
| 78                                             | Fuel Stock (151)                                                   | 54,040                                                                                                                |                                                            | 54,040                                       |                                         |
| 79                                             | Miscellaneous Deferred Debits (186)                                | 1,225,547                                                                                                             |                                                            | 1,225,547                                    |                                         |
| 80                                             | Other Electric Revenue (456)                                       | 261,034                                                                                                               |                                                            | 261,034                                      |                                         |
| 81                                             | Expenses of Nonutility Operations (417.1)                          | 108,878                                                                                                               |                                                            | 108,878                                      |                                         |
| 82                                             | Exp. for Certain Civic, Political and Related Activity (426.4      | 139,568                                                                                                               |                                                            | 139,568                                      |                                         |
| 83                                             | Other Deductions (426.5)                                           | 213,519                                                                                                               |                                                            | 213,519                                      |                                         |
| 84                                             |                                                                    |                                                                                                                       |                                                            |                                              |                                         |
| 85                                             |                                                                    |                                                                                                                       |                                                            |                                              |                                         |
| 86                                             |                                                                    |                                                                                                                       |                                                            |                                              |                                         |
| 87                                             |                                                                    |                                                                                                                       |                                                            |                                              |                                         |
| 88                                             |                                                                    |                                                                                                                       |                                                            |                                              |                                         |
| 89                                             |                                                                    |                                                                                                                       |                                                            |                                              |                                         |
| 90                                             |                                                                    |                                                                                                                       |                                                            |                                              |                                         |
| 91                                             |                                                                    |                                                                                                                       |                                                            |                                              |                                         |
| 92                                             |                                                                    |                                                                                                                       |                                                            |                                              |                                         |
| 93                                             |                                                                    |                                                                                                                       |                                                            |                                              |                                         |
| 94                                             |                                                                    |                                                                                                                       |                                                            |                                              |                                         |
| 95                                             | TOTAL Other Accounts                                               | 2,002,586                                                                                                             |                                                            | 2,002,586                                    |                                         |
| 96                                             | TOTAL SALARIES AND WAGES                                           | 93,875,595                                                                                                            |                                                            | 93,875,595                                   |                                         |
|                                                |                                                                    |                                                                                                                       |                                                            |                                              |                                         |

|                          |                                                                                                                       |                                              |                                  |
|--------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------|----------------------------------|
| Name of Respondent       | This Report is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>2019/Q4 |
| Otter Tail Power Company |                                                                                                                       |                                              |                                  |
| FOOTNOTE DATA            |                                                                                                                       |                                              |                                  |

**Schedule Page: 354    Line No.: 77    Column: a**

Salaries and wages are included in the specified accounts because they are not provided for elsewhere, are nonutility in nature or are nonoperating.

|                                                |                                                                                                                       |                                              |                                                |
|------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------|------------------------------------------------|
| Name of Respondent<br>Otter Tail Power Company | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of <u>2019/Q4</u> |
|------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------|------------------------------------------------|

COMMON UTILITY PLANT AND EXPENSES

1. Describe the property carried in the utility's accounts as common utility plant and show the book cost of such plant at end of year classified by accounts as provided by Plant Instruction 13, Common Utility Plant, of the Uniform System of Accounts. Also show the allocation of such plant costs to the respective departments using the common utility plant and explain the basis of allocation used, giving the allocation factors.
2. Furnish the accumulated provisions for depreciation and amortization at end of year, showing the amounts and classifications of such accumulated provisions, and amounts allocated to utility departments using the Common utility plant to which such accumulated provisions relate, including explanation of basis of allocation and factors used.
3. Give for the year the expenses of operation, maintenance, rents, depreciation, and amortization for common utility plant classified by accounts as provided by the Uniform System of Accounts. Show the allocation of such expenses to the departments using the common utility plant to which such expenses are related. Explain the basis of allocation used and give the factors of allocation.
4. Give date of approval by the Commission for use of the common utility plant classification and reference to order of the Commission or other authorization.

Not Applicable

| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                               | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |                                       | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of <u>2019/Q4</u> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|-----------------------------------------------------------------------------------------------------------------------|---------------------------------------|----------------------------------------------|------------------------------------------------|
| AMOUNTS INCLUDED IN ISO/RTO SETTLEMENT STATEMENTS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                               |                                                                                                                       |                                       |                                              |                                                |
| 1. The respondent shall report below the details called for concerning amounts it recorded in Account 555, Purchase Power, and Account 447, Sales for Resale, for items shown on ISO/RTO Settlement Statements. Transactions should be separately netted for each ISO/RTO administered energy market for purposes of determining whether an entity is a net seller or purchaser in a given hour. Net megawatt hours are to be used as the basis for determining whether a net purchase or sale has occurred. In each monthly reporting period, the hourly sale and purchase net amounts are to be aggregated and separately reported in Account 447, Sales for Resale, or Account 555, Purchased Power, respectively. |                               |                                                                                                                       |                                       |                                              |                                                |
| Line No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Description of Item(s)<br>(a) | Balance at End of<br>Quarter 1<br>(b)                                                                                 | Balance at End of<br>Quarter 2<br>(c) | Balance at End of<br>Quarter 3<br>(d)        | Balance at End of<br>Year<br>(e)               |
| 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Energy                        |                                                                                                                       |                                       |                                              |                                                |
| 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Net Purchases (Account 555)   |                                                                                                                       |                                       |                                              |                                                |
| 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Net Sales (Account 447)       |                                                                                                                       |                                       |                                              |                                                |
| 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Transmission Rights           |                                                                                                                       |                                       |                                              |                                                |
| 5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Ancillary Services            |                                                                                                                       |                                       |                                              |                                                |
| 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Other Items (list separately) |                                                                                                                       |                                       |                                              |                                                |
| 7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                               |                                                                                                                       |                                       |                                              |                                                |
| 8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                               |                                                                                                                       |                                       |                                              |                                                |
| 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                               |                                                                                                                       |                                       |                                              |                                                |
| 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                               |                                                                                                                       |                                       |                                              |                                                |
| 11                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                               |                                                                                                                       |                                       |                                              |                                                |
| 12                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                               |                                                                                                                       |                                       |                                              |                                                |
| 13                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                               |                                                                                                                       |                                       |                                              |                                                |
| 14                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                               |                                                                                                                       |                                       |                                              |                                                |
| 15                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                               |                                                                                                                       |                                       |                                              |                                                |
| 16                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                               |                                                                                                                       |                                       |                                              |                                                |
| 17                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                               |                                                                                                                       |                                       |                                              |                                                |
| 18                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                               |                                                                                                                       |                                       |                                              |                                                |
| 19                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                               |                                                                                                                       |                                       |                                              |                                                |
| 20                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                               |                                                                                                                       |                                       |                                              |                                                |
| 21                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                               |                                                                                                                       |                                       |                                              |                                                |
| 22                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                               |                                                                                                                       |                                       |                                              |                                                |
| 23                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                               |                                                                                                                       |                                       |                                              |                                                |
| 24                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                               |                                                                                                                       |                                       |                                              |                                                |
| 25                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                               |                                                                                                                       |                                       |                                              |                                                |
| 26                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                               |                                                                                                                       |                                       |                                              |                                                |
| 27                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                               |                                                                                                                       |                                       |                                              |                                                |
| 28                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                               |                                                                                                                       |                                       |                                              |                                                |
| 29                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                               |                                                                                                                       |                                       |                                              |                                                |
| 30                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                               |                                                                                                                       |                                       |                                              |                                                |
| 31                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                               |                                                                                                                       |                                       |                                              |                                                |
| 32                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                               |                                                                                                                       |                                       |                                              |                                                |
| 33                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                               |                                                                                                                       |                                       |                                              |                                                |
| 34                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                               |                                                                                                                       |                                       |                                              |                                                |
| 35                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                               |                                                                                                                       |                                       |                                              |                                                |
| 36                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                               |                                                                                                                       |                                       |                                              |                                                |
| 37                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                               |                                                                                                                       |                                       |                                              |                                                |
| 38                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                               |                                                                                                                       |                                       |                                              |                                                |
| 39                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                               |                                                                                                                       |                                       |                                              |                                                |
| 40                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                               |                                                                                                                       |                                       |                                              |                                                |
| 41                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                               |                                                                                                                       |                                       |                                              |                                                |
| 42                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                               |                                                                                                                       |                                       |                                              |                                                |
| 43                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                               |                                                                                                                       |                                       |                                              |                                                |
| 44                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                               |                                                                                                                       |                                       |                                              |                                                |
| 45                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                               |                                                                                                                       |                                       |                                              |                                                |
| 46                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | TOTAL                         |                                                                                                                       |                                       |                                              |                                                |





| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                         |                                |                            | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |                                      | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 |                                                   | Year/Period of Report<br>End of 2019/Q4 |                                                   |                      |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|--------------------------------|----------------------------|-----------------------------------------------------------------------------------------------------------------------|--------------------------------------|----------------------------------------------|---------------------------------------------------|-----------------------------------------|---------------------------------------------------|----------------------|
| MONTHLY TRANSMISSION SYSTEM PEAK LOAD                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                         |                                |                            |                                                                                                                       |                                      |                                              |                                                   |                                         |                                                   |                      |
| <p>(1) Report the monthly peak load on the respondent's transmission system. If the respondent has two or more power systems which are not physically integrated, furnish the required information for each non-integrated system.</p> <p>(2) Report on Column (b) by month the transmission system's peak load.</p> <p>(3) Report on Columns (c) and (d) the specified information for each monthly transmission - system peak load reported on Column (b).</p> <p>(4) Report on Columns (e) through (j) by month the system' monthly maximum megawatt load by statistical classifications. See General Instruction for the definition of each statistical classification.</p> |                         |                                |                            |                                                                                                                       |                                      |                                              |                                                   |                                         |                                                   |                      |
| NAME OF SYSTEM:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                         |                                |                            |                                                                                                                       |                                      |                                              |                                                   |                                         |                                                   |                      |
| Line No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Month<br>(a)            | Monthly Peak MW - Total<br>(b) | Day of Monthly Peak<br>(c) | Hour of Monthly Peak<br>(d)                                                                                           | Firm Network Service for Self<br>(e) | Firm Network Service for Others<br>(f)       | Long-Term Firm Point-to-point Reservations<br>(g) | Other Long-Term Firm Service<br>(h)     | Short-Term Firm Point-to-point Reservation<br>(i) | Other Service<br>(j) |
| 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | January                 | 924                            | 31                         | 9                                                                                                                     | 923                                  | 1                                            |                                                   |                                         |                                                   |                      |
| 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | February                | 870                            | 25                         | 9                                                                                                                     | 869                                  | 1                                            |                                                   |                                         |                                                   |                      |
| 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | March                   | 819                            | 4                          | 9                                                                                                                     | 818                                  | 1                                            |                                                   |                                         |                                                   |                      |
| 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Total for Quarter 1     |                                |                            |                                                                                                                       | 2,610                                | 3                                            |                                                   |                                         |                                                   |                      |
| 5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | April                   | 671                            | 10                         | 9                                                                                                                     | 670                                  | 1                                            |                                                   |                                         |                                                   |                      |
| 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | May                     | 601                            | 2                          | 2                                                                                                                     | 600                                  | 1                                            |                                                   |                                         |                                                   |                      |
| 7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | June                    | 651                            | 7                          | 17                                                                                                                    | 650                                  | 1                                            |                                                   |                                         |                                                   |                      |
| 8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Total for Quarter 2     |                                |                            |                                                                                                                       | 1,920                                | 3                                            |                                                   |                                         |                                                   |                      |
| 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | July                    | 742                            | 15                         | 14                                                                                                                    | 741                                  | 1                                            |                                                   |                                         |                                                   |                      |
| 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | August                  | 693                            | 6                          | 17                                                                                                                    | 692                                  | 1                                            |                                                   |                                         |                                                   |                      |
| 11                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | September               | 641                            | 17                         | 17                                                                                                                    | 640                                  | 1                                            |                                                   |                                         |                                                   |                      |
| 12                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Total for Quarter 3     |                                |                            |                                                                                                                       | 2,073                                | 3                                            |                                                   |                                         |                                                   |                      |
| 13                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | October                 | 735                            | 31                         | 9                                                                                                                     | 734                                  | 1                                            |                                                   |                                         |                                                   |                      |
| 14                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | November                | 795                            | 12                         | 8                                                                                                                     | 794                                  | 1                                            |                                                   |                                         |                                                   |                      |
| 15                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | December                | 856                            | 11                         | 9                                                                                                                     | 855                                  | 1                                            |                                                   |                                         |                                                   |                      |
| 16                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Total for Quarter 4     |                                |                            |                                                                                                                       | 2,383                                | 3                                            |                                                   |                                         |                                                   |                      |
| 17                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Total Year to Date/Year |                                |                            |                                                                                                                       | 8,986                                | 12                                           |                                                   |                                         |                                                   |                      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                         |                                |                            |                                                                                                                       |                                      |                                              |                                                   |                                         |                                                   |                      |

|                          |                                                                                                                       |                                              |                                  |
|--------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------|----------------------------------|
| Name of Respondent       | This Report is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>2019/Q4 |
| Otter Tail Power Company |                                                                                                                       |                                              |                                  |
| FOOTNOTE DATA            |                                                                                                                       |                                              |                                  |

**Schedule Page: 400   Line No.: 13   Column: b**

The peak numbers for October through December are estimated and are from MISO's S-55 or S-14 settlement data.

| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                         | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |                     | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 |                      | Year/Period of Report<br>End of 2019/Q4 |                         |                       |                              |             |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-----------------------------------------------------------------------------------------------------------------------|---------------------|----------------------------------------------|----------------------|-----------------------------------------|-------------------------|-----------------------|------------------------------|-------------|
| MONTHLY ISO/RTO TRANSMISSION SYSTEM PEAK LOAD                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                         |                                                                                                                       |                     |                                              |                      |                                         |                         |                       |                              |             |
| <p>(1) Report the monthly peak load on the respondent's transmission system. If the Respondent has two or more power systems which are not physically integrated, furnish the required information for each non-integrated system.</p> <p>(2) Report on Column (b) by month the transmission system's peak load.</p> <p>(3) Report on Column (c) and (d) the specified information for each monthly transmission - system peak load reported on Column (b).</p> <p>(4) Report on Columns (e) through (i) by month the system's transmission usage by classification. Amounts reported as Through and Out Service in Column (g) are to be excluded from those amounts reported in Columns (e) and (f).</p> <p>(5) Amounts reported in Column (j) for Total Usage is the sum of Columns (h) and (i).</p> |                         |                                                                                                                       |                     |                                              |                      |                                         |                         |                       |                              |             |
| NAME OF SYSTEM:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                         |                                                                                                                       |                     |                                              |                      |                                         |                         |                       |                              |             |
| Line No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Month                   | Monthly Peak MW - Total                                                                                               | Day of Monthly Peak | Hour of Monthly Peak                         | Imports into ISO/RTO | Exports from ISO/RTO                    | Through and Out Service | Network Service Usage | Point-to-Point Service Usage | Total Usage |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | (a)                     | (b)                                                                                                                   | (c)                 | (d)                                          | (e)                  | (f)                                     | (g)                     | (h)                   | (i)                          | (j)         |
| 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | January                 |                                                                                                                       |                     |                                              |                      |                                         |                         |                       |                              |             |
| 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | February                |                                                                                                                       |                     |                                              |                      |                                         |                         |                       |                              |             |
| 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | March                   |                                                                                                                       |                     |                                              |                      |                                         |                         |                       |                              |             |
| 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Total for Quarter 1     |                                                                                                                       |                     |                                              |                      |                                         |                         |                       |                              |             |
| 5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | April                   |                                                                                                                       |                     |                                              |                      |                                         |                         |                       |                              |             |
| 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | May                     |                                                                                                                       |                     |                                              |                      |                                         |                         |                       |                              |             |
| 7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | June                    |                                                                                                                       |                     |                                              |                      |                                         |                         |                       |                              |             |
| 8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Total for Quarter 2     |                                                                                                                       |                     |                                              |                      |                                         |                         |                       |                              |             |
| 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | July                    |                                                                                                                       |                     |                                              |                      |                                         |                         |                       |                              |             |
| 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | August                  |                                                                                                                       |                     |                                              |                      |                                         |                         |                       |                              |             |
| 11                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | September               |                                                                                                                       |                     |                                              |                      |                                         |                         |                       |                              |             |
| 12                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Total for Quarter 3     |                                                                                                                       |                     |                                              |                      |                                         |                         |                       |                              |             |
| 13                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | October                 |                                                                                                                       |                     |                                              |                      |                                         |                         |                       |                              |             |
| 14                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | November                |                                                                                                                       |                     |                                              |                      |                                         |                         |                       |                              |             |
| 15                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | December                |                                                                                                                       |                     |                                              |                      |                                         |                         |                       |                              |             |
| 16                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Total for Quarter 4     |                                                                                                                       |                     |                                              |                      |                                         |                         |                       |                              |             |
| 17                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Total Year to Date/Year |                                                                                                                       |                     |                                              |                      |                                         |                         |                       |                              |             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                         |                                                                                                                       |                     |                                              |                      |                                         |                         |                       |                              |             |



| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |              | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |                                                                      | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |             |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|----------------------------------------------|-----------------------------------------|-------------|
| MONTHLY PEAKS AND OUTPUT                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |              |                                                                                                                       |                                                                      |                                              |                                         |             |
| <p>1. Report the monthly peak load and energy output. If the respondent has two or more power which are not physically integrated, furnish the required information for each non- integrated system.</p> <p>2. Report in column (b) by month the system's output in Megawatt hours for each month.</p> <p>3. Report in column (c) by month the non-requirements sales for resale. Include in the monthly amounts any energy losses associated with the sales.</p> <p>4. Report in column (d) by month the system's monthly maximum megawatt load (60 minute integration) associated with the system.</p> <p>5. Report in column (e) and (f) the specified information for each monthly peak load reported in column (d).</p> |              |                                                                                                                       |                                                                      |                                              |                                         |             |
| NAME OF SYSTEM:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |              |                                                                                                                       |                                                                      |                                              |                                         |             |
| Line No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Month<br>(a) | Total Monthly Energy<br>(b)                                                                                           | Monthly Non-Requirements Sales for Resale & Associated Losses<br>(c) | MONTHLY PEAK                                 |                                         |             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |              |                                                                                                                       |                                                                      | Megawatts (See Instr. 4)<br>(d)              | Day of Month<br>(e)                     | Hour<br>(f) |
| 29                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | January      | 537,851                                                                                                               | 11,739                                                               | 924                                          | 31                                      | 900         |
| 30                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | February     | 497,047                                                                                                               | 11,014                                                               | 870                                          | 25                                      | 900         |
| 31                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | March        | 485,350                                                                                                               | 15,877                                                               | 819                                          | 4                                       | 900         |
| 32                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | April        | 427,195                                                                                                               | 12,330                                                               | 671                                          | 10                                      | 900         |
| 33                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | May          | 398,456                                                                                                               | 11,213                                                               | 601                                          | 2                                       | 900         |
| 34                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | June         | 371,043                                                                                                               | 20,055                                                               | 651                                          | 7                                       | 1700        |
| 35                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | July         | 447,245                                                                                                               | 22,681                                                               | 742                                          | 15                                      | 1400        |
| 36                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | August       | 395,528                                                                                                               | 24,165                                                               | 693                                          | 6                                       | 1700        |
| 37                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | September    | 367,137                                                                                                               | 26,720                                                               | 641                                          | 17                                      | 1700        |
| 38                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | October      | 398,035                                                                                                               | 12,189                                                               | 735                                          | 31                                      | 900         |
| 39                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | November     | 486,894                                                                                                               | 15,319                                                               | 795                                          | 12                                      | 800         |
| 40                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | December     | 511,776                                                                                                               | 18,997                                                               | 856                                          | 11                                      | 900         |
| 41                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | TOTAL        | 5,323,557                                                                                                             | 202,299                                                              |                                              |                                         |             |

|                                                |                                                                                                                       |                                              |                                  |
|------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------|----------------------------------|
| Name of Respondent<br>Otter Tail Power Company | This Report is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>2019/Q4 |
| FOOTNOTE DATA                                  |                                                                                                                       |                                              |                                  |

**Schedule Page: 401 Line No.: 16 Column: b**  
Includes interchange transactions and losses thereon.

**Schedule Page: 401 Line No.: 17 Column: b**  
Includes interchange transactions and losses thereon.

**Schedule Page: 401 Line No.: 27 Column: b**  
Includes all retail, wholesale, and transmission wheeling service system losses, losses on other systems due to sales for resale, and inadvertent energy imbalances.

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                         |                                                                                                                       |         |                                              |                                     |                                                |       |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|---------|----------------------------------------------|-------------------------------------|------------------------------------------------|-------|
| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                         | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |         | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 |                                     | Year/Period of Report<br>End of <u>2019/Q4</u> |       |
| STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                         |                                                                                                                       |         |                                              |                                     |                                                |       |
| <p>1. Report data for plant in Service only. 2. Large plants are steam plants with installed capacity (name plate rating) of 25,000 Kw or more. Report in this page gas-turbine and internal combustion plants of 10,000 Kw or more, and nuclear plants. 3. Indicate by a footnote any plant leased or operated as a joint facility. 4. If net peak demand for 60 minutes is not available, give data which is available, specifying period. 5. If any employees attend more than one plant, report on line 11 the approximate average number of employees assignable to each plant. 6. If gas is used and purchased on a therm basis report the Btu content of the gas and the quantity of fuel burned converted to Mct. 7. Quantities of fuel burned (Line 38) and average cost per unit of fuel burned (Line 41) must be consistent with charges to expense accounts 501 and 547 (Line 42) as show on Line 20. 8. If more than one fuel is burned in a plant furnish only the composite heat rate for all fuels burned.</p> |                                                         |                                                                                                                       |         |                                              |                                     |                                                |       |
| Line No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Item<br>(a)                                             | Plant Name: <u>Coyote</u><br>(b)                                                                                      |         |                                              | Plant Name: <u>Big Stone</u><br>(c) |                                                |       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                         |                                                                                                                       |         |                                              |                                     |                                                |       |
| 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Kind of Plant (Internal Comb, Gas Turb, Nuclear         | Steam                                                                                                                 |         |                                              | Steam                               |                                                |       |
| 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Type of Constr (Conventional, Outdoor, Boiler, etc)     | Conventional                                                                                                          |         |                                              | Conventional                        |                                                |       |
| 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Year Originally Constructed                             | 1981                                                                                                                  |         |                                              | 1975                                |                                                |       |
| 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Year Last Unit was Installed                            | 1981                                                                                                                  |         |                                              | 1975                                |                                                |       |
| 5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Total Installed Cap (Max Gen Name Plate Ratings-MW)     | 144.90                                                                                                                |         |                                              | 223.15                              |                                                |       |
| 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Net Peak Demand on Plant - MW (60 minutes)              | 150                                                                                                                   |         |                                              | 256                                 |                                                |       |
| 7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Plant Hours Connected to Load                           | 5928                                                                                                                  |         |                                              | 8010                                |                                                |       |
| 8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Net Continuous Plant Capability (Megawatts)             | 150                                                                                                                   |         |                                              | 258                                 |                                                |       |
| 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | When Not Limited by Condenser Water                     | 150                                                                                                                   |         |                                              | 258                                 |                                                |       |
| 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | When Limited by Condenser Water                         | 150                                                                                                                   |         |                                              | 258                                 |                                                |       |
| 11                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Average Number of Employees                             | 82                                                                                                                    |         |                                              | 83                                  |                                                |       |
| 12                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Net Generation, Exclusive of Plant Use - KWh            | 734740196                                                                                                             |         |                                              | 1441348942                          |                                                |       |
| 13                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Cost of Plant: Land and Land Rights                     | 713587                                                                                                                |         |                                              | 374603                              |                                                |       |
| 14                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Structures and Improvements                             | 34894530                                                                                                              |         |                                              | 79667876                            |                                                |       |
| 15                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Equipment Costs                                         | 148059750                                                                                                             |         |                                              | 254718573                           |                                                |       |
| 16                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Asset Retirement Costs                                  | 825189                                                                                                                |         |                                              | 847862                              |                                                |       |
| 17                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Total Cost                                              | 184493056                                                                                                             |         |                                              | 335608914                           |                                                |       |
| 18                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Cost per KW of Installed Capacity (line 17/5) Including | 1273.2440                                                                                                             |         |                                              | 1503.9611                           |                                                |       |
| 19                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Production Expenses: Oper, Supv, & Engr                 | 713848                                                                                                                |         |                                              | 621823                              |                                                |       |
| 20                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Fuel                                                    | 20886825                                                                                                              |         |                                              | 27382354                            |                                                |       |
| 21                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Coolants and Water (Nuclear Plants Only)                | 0                                                                                                                     |         |                                              | 0                                   |                                                |       |
| 22                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Steam Expenses                                          | 1852118                                                                                                               |         |                                              | 2727254                             |                                                |       |
| 23                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Steam From Other Sources                                | 0                                                                                                                     |         |                                              | 0                                   |                                                |       |
| 24                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Steam Transferred (Cr)                                  | 0                                                                                                                     |         |                                              | 0                                   |                                                |       |
| 25                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Electric Expenses                                       | 703625                                                                                                                |         |                                              | 873897                              |                                                |       |
| 26                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Misc Steam (or Nuclear) Power Expenses                  | 99758                                                                                                                 |         |                                              | 2482937                             |                                                |       |
| 27                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Rents                                                   | 16352                                                                                                                 |         |                                              | 0                                   |                                                |       |
| 28                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Allowances                                              | 0                                                                                                                     |         |                                              | 0                                   |                                                |       |
| 29                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Maintenance Supervision and Engineering                 | 341239                                                                                                                |         |                                              | 376615                              |                                                |       |
| 30                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Maintenance of Structures                               | 223367                                                                                                                |         |                                              | 468158                              |                                                |       |
| 31                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Maintenance of Boiler (or reactor) Plant                | 4176087                                                                                                               |         |                                              | 2422209                             |                                                |       |
| 32                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Maintenance of Electric Plant                           | 1497651                                                                                                               |         |                                              | 260481                              |                                                |       |
| 33                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Maintenance of Misc Steam (or Nuclear) Plant            | 582729                                                                                                                |         |                                              | 365279                              |                                                |       |
| 34                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Total Production Expenses                               | 31093599                                                                                                              |         |                                              | 37981007                            |                                                |       |
| 35                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Expenses per Net KWh                                    | 0.0423                                                                                                                |         |                                              | 0.0264                              |                                                |       |
| 36                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Fuel: Kind (Coal, Gas, Oil, or Nuclear)                 | Coal                                                                                                                  | Oil     |                                              | Coal                                | Oil                                            |       |
| 37                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Unit (Coal-tons/Oil-barrel/Gas-mcf/Nuclear-indicate)    | Tons                                                                                                                  | Barrels |                                              | Tons                                | Barrels                                        |       |
| 38                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Quantity (Units) of Fuel Burned                         | 708568                                                                                                                | 5094    | 0                                            | 927852                              | 1930                                           | 0     |
| 39                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Avg Heat Cont - Fuel Burned (btu/indicate if nuclear)   | 6982                                                                                                                  | 140000  | 0                                            | 8224                                | 140000                                         | 0     |
| 40                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Avg Cost of Fuel/unit, as Delvd f.o.b. during year      | 34.133                                                                                                                | 84.126  | 0.000                                        | 29453.000                           | 83.920                                         | 0.000 |
| 41                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Average Cost of Fuel per Unit Burned                    | 28.589                                                                                                                | 86.184  | 0.000                                        | 29.588                              | 96.770                                         | 0.000 |
| 42                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Average Cost of Fuel Burned per Million BTU             | 2.047                                                                                                                 | 14.657  | 0.000                                        | 1.799                               | 16.457                                         | 0.000 |
| 43                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Average Cost of Fuel Burned per KWh Net Gen             | 0.028                                                                                                                 | 0.000   | 0.000                                        | 0.019                               | 0.000                                          | 0.000 |
| 44                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Average BTU per KWh Net Generation                      | 11619.000                                                                                                             | 0.000   | 0.000                                        | 10717.000                           | 0.000                                          | 0.000 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                         |                                                                                                                       |         |                                              |                                     |                                                |       |



|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                         |                                                                                                                       |         |                                              |                    |                                                |       |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|---------|----------------------------------------------|--------------------|------------------------------------------------|-------|
| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                         | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |         | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 |                    | Year/Period of Report<br>End of <u>2019/Q4</u> |       |
| STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants) (Continued)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                         |                                                                                                                       |         |                                              |                    |                                                |       |
| <p>1. Report data for plant in Service only. 2. Large plants are steam plants with installed capacity (name plate rating) of 25,000 Kw or more. Report in this page gas-turbine and internal combustion plants of 10,000 Kw or more, and nuclear plants. 3. Indicate by a footnote any plant leased or operated as a joint facility. 4. If net peak demand for 60 minutes is not available, give data which is available, specifying period. 5. If any employees attend more than one plant, report on line 11 the approximate average number of employees assignable to each plant. 6. If gas is used and purchased on a therm basis report the Btu content or the gas and the quantity of fuel burned converted to Mct. 7. Quantities of fuel burned (Line 38) and average cost per unit of fuel burned (Line 41) must be consistent with charges to expense accounts 501 and 547 (Line 42) as show on Line 20. 8. If more than one fuel is burned in a plant furnish only the composite heat rate for all fuels burned.</p> |                                                         |                                                                                                                       |         |                                              |                    |                                                |       |
| Line No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Item<br>(a)                                             | Plant Name: <i>Solway</i><br>(b)                                                                                      |         |                                              | Plant Name:<br>(c) |                                                |       |
| 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Kind of Plant (Internal Comb, Gas Turb, Nuclear)        | Gas Turbine                                                                                                           |         |                                              |                    |                                                |       |
| 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Type of Constr (Conventional, Outdoor, Boiler, etc)     | Conventional                                                                                                          |         |                                              |                    |                                                |       |
| 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Year Originally Constructed                             | 2003                                                                                                                  |         |                                              |                    |                                                |       |
| 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Year Last Unit was Installed                            | 2003                                                                                                                  |         |                                              |                    |                                                |       |
| 5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Total Installed Cap (Max Gen Name Plate Ratings-MW)     | 44.50                                                                                                                 |         |                                              | 0.00               |                                                |       |
| 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Net Peak Demand on Plant - MW (60 minutes)              | 49                                                                                                                    |         |                                              | 0                  |                                                |       |
| 7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Plant Hours Connected to Load                           | 1463                                                                                                                  |         |                                              | 0                  |                                                |       |
| 8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Net Continuous Plant Capability (Megawatts)             | 44                                                                                                                    |         |                                              | 0                  |                                                |       |
| 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | When Not Limited by Condenser Water                     | 44                                                                                                                    |         |                                              | 0                  |                                                |       |
| 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | When Limited by Condenser Water                         | 44                                                                                                                    |         |                                              | 0                  |                                                |       |
| 11                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Average Number of Employees                             | 2                                                                                                                     |         |                                              | 0                  |                                                |       |
| 12                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Net Generation, Exclusive of Plant Use - KWh            | 52969503                                                                                                              |         |                                              | 0                  |                                                |       |
| 13                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Cost of Plant: Land and Land Rights                     | 89809                                                                                                                 |         |                                              | 0                  |                                                |       |
| 14                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Structures and Improvements                             | 4791410                                                                                                               |         |                                              | 0                  |                                                |       |
| 15                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Equipment Costs                                         | 23198210                                                                                                              |         |                                              | 0                  |                                                |       |
| 16                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Asset Retirement Costs                                  | 0                                                                                                                     |         |                                              | 0                  |                                                |       |
| 17                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Total Cost                                              | 28079429                                                                                                              |         |                                              | 0                  |                                                |       |
| 18                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Cost per KW of Installed Capacity (line 17/5) Including | 630.9984                                                                                                              |         |                                              | 0                  |                                                |       |
| 19                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Production Expenses: Oper, Supv, & Engr                 | 0                                                                                                                     |         |                                              | 0                  |                                                |       |
| 20                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Fuel                                                    | 1391434                                                                                                               |         |                                              | 0                  |                                                |       |
| 21                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Coolants and Water (Nuclear Plants Only)                | 0                                                                                                                     |         |                                              | 0                  |                                                |       |
| 22                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Steam Expenses                                          | 0                                                                                                                     |         |                                              | 0                  |                                                |       |
| 23                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Steam From Other Sources                                | 0                                                                                                                     |         |                                              | 0                  |                                                |       |
| 24                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Steam Transferred (Cr)                                  | 0                                                                                                                     |         |                                              | 0                  |                                                |       |
| 25                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Electric Expenses                                       | 289079                                                                                                                |         |                                              | 0                  |                                                |       |
| 26                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Misc Steam (or Nuclear) Power Expenses                  | 224969                                                                                                                |         |                                              | 0                  |                                                |       |
| 27                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Rents                                                   | 129                                                                                                                   |         |                                              | 0                  |                                                |       |
| 28                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Allowances                                              | 0                                                                                                                     |         |                                              | 0                  |                                                |       |
| 29                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Maintenance Supervision and Engineering                 | 17374                                                                                                                 |         |                                              | 0                  |                                                |       |
| 30                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Maintenance of Structures                               | 21825                                                                                                                 |         |                                              | 0                  |                                                |       |
| 31                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Maintenance of Boiler (or reactor) Plant                | 0                                                                                                                     |         |                                              | 0                  |                                                |       |
| 32                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Maintenance of Electric Plant                           | 309171                                                                                                                |         |                                              | 0                  |                                                |       |
| 33                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Maintenance of Misc Steam (or Nuclear) Plant            | 18957                                                                                                                 |         |                                              | 0                  |                                                |       |
| 34                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Total Production Expenses                               | 2272938                                                                                                               |         |                                              | 0                  |                                                |       |
| 35                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Expenses per Net KWh                                    | 0.0429                                                                                                                |         |                                              | 0.0000             |                                                |       |
| 36                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Fuel: Kind (Coal, Gas, Oil, or Nuclear)                 | Coal                                                                                                                  | Oil     | Natural Gas                                  |                    |                                                |       |
| 37                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Unit (Coal-tons/Oil-barrel/Gas-mcf/Nuclear-indicate)    | Tons                                                                                                                  | Barrels | MMBTU                                        |                    |                                                |       |
| 38                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Quantity (Units) of Fuel Burned                         | 0                                                                                                                     | 4       | 516889                                       | 0                  | 0                                              | 0     |
| 39                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Avg Heat Cont - Fuel Burned (btu/indicate if nuclear)   | 0                                                                                                                     | 140000  | 517620                                       | 0                  | 0                                              | 0     |
| 40                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Avg Cost of Fuel/unit, as Delvd f.o.b. during year      | 0.000                                                                                                                 | 0.000   | 2.659                                        | 0.000              | 0.000                                          | 0.000 |
| 41                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Average Cost of Fuel per Unit Burned                    | 0.000                                                                                                                 | 94.500  | 2.564                                        | 0.000              | 0.000                                          | 0.000 |
| 42                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Average Cost of Fuel Burned per Million BTU             | 0.000                                                                                                                 | 16.071  | 2.564                                        | 0.000              | 0.000                                          | 0.000 |
| 43                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Average Cost of Fuel Burned per KWh Net Gen             | 0.000                                                                                                                 | 0.000   | 0.026                                        | 0.000              | 0.000                                          | 0.000 |
| 44                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Average BTU per KWh Net Generation                      | 0.000                                                                                                                 | 0.000   | 9759.000                                     | 0.000              | 0.000                                          | 0.000 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                         |                                                                                                                       |         |                                              |                    |                                                |       |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                         |                                                                                                                       |       |                                              |       |                                                |  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|-------|----------------------------------------------|-------|------------------------------------------------|--|
| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                         | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |       | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 |       | Year/Period of Report<br>End of <u>2019/Q4</u> |  |
| STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants) (Continued)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                         |                                                                                                                       |       |                                              |       |                                                |  |
| <p>1. Report data for plant in Service only. 2. Large plants are steam plants with installed capacity (name plate rating) of 25,000 Kw or more. Report in this page gas-turbine and internal combustion plants of 10,000 Kw or more, and nuclear plants. 3. Indicate by a footnote any plant leased or operated as a joint facility. 4. If net peak demand for 60 minutes is not available, give data which is available, specifying period. 5. If any employees attend more than one plant, report on line 11 the approximate average number of employees assignable to each plant. 6. If gas is used and purchased on a therm basis report the Btu content of the gas and the quantity of fuel burned converted to Mct. 7. Quantities of fuel burned (Line 38) and average cost per unit of fuel burned (Line 41) must be consistent with charges to expense accounts 501 and 547 (Line 42) as show on Line 20. 8. If more than one fuel is burned in a plant furnish only the composite heat rate for all fuels burned.</p> |                                                         |                                                                                                                       |       |                                              |       |                                                |  |
| Line No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Item<br>(a)                                             | Plant Name:<br>(b)                                                                                                    |       | Plant Name:<br>(c)                           |       |                                                |  |
| 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Kind of Plant (Internal Comb, Gas Turb, Nuclear         |                                                                                                                       |       |                                              |       |                                                |  |
| 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Type of Constr (Conventional, Outdoor, Boiler, etc)     |                                                                                                                       |       |                                              |       |                                                |  |
| 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Year Originally Constructed                             |                                                                                                                       |       |                                              |       |                                                |  |
| 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Year Last Unit was Installed                            |                                                                                                                       |       |                                              |       |                                                |  |
| 5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Total Installed Cap (Max Gen Name Plate Ratings-MW)     | 0.00                                                                                                                  |       | 0.00                                         |       |                                                |  |
| 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Net Peak Demand on Plant - MW (60 minutes)              | 0                                                                                                                     |       | 0                                            |       |                                                |  |
| 7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Plant Hours Connected to Load                           | 0                                                                                                                     |       | 0                                            |       |                                                |  |
| 8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Net Continuous Plant Capability (Megawatts)             | 0                                                                                                                     |       | 0                                            |       |                                                |  |
| 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | When Not Limited by Condenser Water                     | 0                                                                                                                     |       | 0                                            |       |                                                |  |
| 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | When Limited by Condenser Water                         | 0                                                                                                                     |       | 0                                            |       |                                                |  |
| 11                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Average Number of Employees                             | 0                                                                                                                     |       | 0                                            |       |                                                |  |
| 12                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Net Generation, Exclusive of Plant Use - KWh            | 0                                                                                                                     |       | 0                                            |       |                                                |  |
| 13                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Cost of Plant: Land and Land Rights                     | 0                                                                                                                     |       | 0                                            |       |                                                |  |
| 14                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Structures and Improvements                             | 0                                                                                                                     |       | 0                                            |       |                                                |  |
| 15                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Equipment Costs                                         | 0                                                                                                                     |       | 0                                            |       |                                                |  |
| 16                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Asset Retirement Costs                                  | 0                                                                                                                     |       | 0                                            |       |                                                |  |
| 17                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Total Cost                                              | 0                                                                                                                     |       | 0                                            |       |                                                |  |
| 18                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Cost per KW of Installed Capacity (line 17/5) Including | 0                                                                                                                     |       | 0                                            |       |                                                |  |
| 19                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Production Expenses: Oper, Supv, & Engr                 | 0                                                                                                                     |       | 0                                            |       |                                                |  |
| 20                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Fuel                                                    | 0                                                                                                                     |       | 0                                            |       |                                                |  |
| 21                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Coolants and Water (Nuclear Plants Only)                | 0                                                                                                                     |       | 0                                            |       |                                                |  |
| 22                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Steam Expenses                                          | 0                                                                                                                     |       | 0                                            |       |                                                |  |
| 23                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Steam From Other Sources                                | 0                                                                                                                     |       | 0                                            |       |                                                |  |
| 24                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Steam Transferred (Cr)                                  | 0                                                                                                                     |       | 0                                            |       |                                                |  |
| 25                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Electric Expenses                                       | 0                                                                                                                     |       | 0                                            |       |                                                |  |
| 26                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Misc Steam (or Nuclear) Power Expenses                  | 0                                                                                                                     |       | 0                                            |       |                                                |  |
| 27                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Rents                                                   | 0                                                                                                                     |       | 0                                            |       |                                                |  |
| 28                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Allowances                                              | 0                                                                                                                     |       | 0                                            |       |                                                |  |
| 29                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Maintenance Supervision and Engineering                 | 0                                                                                                                     |       | 0                                            |       |                                                |  |
| 30                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Maintenance of Structures                               | 0                                                                                                                     |       | 0                                            |       |                                                |  |
| 31                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Maintenance of Boiler (or reactor) Plant                | 0                                                                                                                     |       | 0                                            |       |                                                |  |
| 32                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Maintenance of Electric Plant                           | 0                                                                                                                     |       | 0                                            |       |                                                |  |
| 33                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Maintenance of Misc Steam (or Nuclear) Plant            | 0                                                                                                                     |       | 0                                            |       |                                                |  |
| 34                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Total Production Expenses                               | 0                                                                                                                     |       | 0                                            |       |                                                |  |
| 35                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Expenses per Net KWh                                    | 0.0000                                                                                                                |       | 0.0000                                       |       |                                                |  |
| 36                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Fuel: Kind (Coal, Gas, Oil, or Nuclear)                 |                                                                                                                       |       |                                              |       |                                                |  |
| 37                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Unit (Coal-tons/Oil-barrel/Gas-mcf/Nuclear-indicate)    |                                                                                                                       |       |                                              |       |                                                |  |
| 38                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Quantity (Units) of Fuel Burned                         | 0                                                                                                                     | 0     | 0                                            | 0     | 0                                              |  |
| 39                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Avg Heat Cont - Fuel Burned (btu/indicate if nuclear)   | 0                                                                                                                     | 0     | 0                                            | 0     | 0                                              |  |
| 40                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Avg Cost of Fuel/unit, as Delvd f.o.b. during year      | 0.000                                                                                                                 | 0.000 | 0.000                                        | 0.000 | 0.000                                          |  |
| 41                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Average Cost of Fuel per Unit Burned                    | 0.000                                                                                                                 | 0.000 | 0.000                                        | 0.000 | 0.000                                          |  |
| 42                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Average Cost of Fuel Burned per Million BTU             | 0.000                                                                                                                 | 0.000 | 0.000                                        | 0.000 | 0.000                                          |  |
| 43                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Average Cost of Fuel Burned per KWh Net Gen             | 0.000                                                                                                                 | 0.000 | 0.000                                        | 0.000 | 0.000                                          |  |
| 44                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Average BTU per KWh Net Generation                      | 0.000                                                                                                                 | 0.000 | 0.000                                        | 0.000 | 0.000                                          |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                         |                                                                                                                       |       |                                              |       |                                                |  |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |         |       |                                                                                                                       |       |       |                                              |       |       |                                         |  |    |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|-------|-----------------------------------------------------------------------------------------------------------------------|-------|-------|----------------------------------------------|-------|-------|-----------------------------------------|--|----|
| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |         |       | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |       |       | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 |       |       | Year/Period of Report<br>End of 2019/Q4 |  |    |
| STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants) (Continued)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |         |       |                                                                                                                       |       |       |                                              |       |       |                                         |  |    |
| <p>9. Items under Cost of Plant are based on U. S. of A. Accounts. Production expenses do not include Purchased Power, System Control and Load Dispatching, and Other Expenses Classified as Other Power Supply Expenses. 10. For IC and GT plants, report Operating Expenses, Account Nos. 547 and 549 on Line 25 "Electric Expenses," and Maintenance Account Nos. 553 and 554 on Line 32, "Maintenance of Electric Plant." Indicate plants designed for peak load service. Designate automatically operated plants. 11. For a plant equipped with combinations of fossil fuel steam, nuclear steam, hydro, internal combustion or gas-turbine equipment, report each as a separate plant. However, if a gas-turbine unit functions in a combined cycle operation with a conventional steam unit, include the gas-turbine with the steam plant. 12. If a nuclear power generating plant, briefly explain by footnote (a) accounting method for cost of power generated including any excess costs attributed to research and development; (b) types of cost units used for the various components of fuel cost; and (c) any other informative data concerning plant type fuel used, fuel enrichment type and quantity for the report period and other physical and operating characteristics of plant.</p> |         |       |                                                                                                                       |       |       |                                              |       |       |                                         |  |    |
| Plant Name: <i>Hoot Lake</i><br>(d)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |         |       | Plant Name: <i>Jamestown</i><br>(e)                                                                                   |       |       | Plant Name: <i>Lake Preston</i><br>(f)       |       |       | Line No.                                |  |    |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |         |       |                                                                                                                       |       |       |                                              |       |       |                                         |  |    |
| Steam                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |         |       | Gas Turbine                                                                                                           |       |       | Gas Turbine                                  |       |       | 1                                       |  |    |
| Conventional                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |         |       | Conventional                                                                                                          |       |       | Conventional                                 |       |       | 2                                       |  |    |
| 1959                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |         |       | 1976                                                                                                                  |       |       | 1978                                         |       |       | 3                                       |  |    |
| 1964                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |         |       | 1978                                                                                                                  |       |       | 1978                                         |       |       | 4                                       |  |    |
| 128.50                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |         |       | 48.11                                                                                                                 |       |       | 24.10                                        |       |       | 5                                       |  |    |
| 141                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |         |       | 41                                                                                                                    |       |       | 19                                           |       |       | 6                                       |  |    |
| 6937                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |         |       | 87                                                                                                                    |       |       | 48                                           |       |       | 7                                       |  |    |
| 142                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |         |       | 41                                                                                                                    |       |       | 20                                           |       |       | 8                                       |  |    |
| 142                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |         |       | 41                                                                                                                    |       |       | 20                                           |       |       | 9                                       |  |    |
| 142                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |         |       | 41                                                                                                                    |       |       | 20                                           |       |       | 10                                      |  |    |
| 33                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |         |       | 1                                                                                                                     |       |       | 0                                            |       |       | 11                                      |  |    |
| 313358900                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |         |       | 456666                                                                                                                |       |       | 251241                                       |       |       | 12                                      |  |    |
| 565967                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |         |       | 24614                                                                                                                 |       |       | 12339                                        |       |       | 13                                      |  |    |
| 6096309                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |         |       | 311512                                                                                                                |       |       | 233982                                       |       |       | 14                                      |  |    |
| 63758684                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |         |       | 7684747                                                                                                               |       |       | 4033048                                      |       |       | 15                                      |  |    |
| 555302                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |         |       | 0                                                                                                                     |       |       | 0                                            |       |       | 16                                      |  |    |
| 70976262                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |         |       | 8020873                                                                                                               |       |       | 4279369                                      |       |       | 17                                      |  |    |
| 552.3445                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |         |       | 166.7195                                                                                                              |       |       | 177.5672                                     |       |       | 18                                      |  |    |
| 153304                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |         |       | 9                                                                                                                     |       |       | 84                                           |       |       | 19                                      |  |    |
| 8898537                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |         |       | 278317                                                                                                                |       |       | 131229                                       |       |       | 20                                      |  |    |
| 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |         |       | 0                                                                                                                     |       |       | 0                                            |       |       | 21                                      |  |    |
| 1263803                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |         |       | 0                                                                                                                     |       |       | 0                                            |       |       | 22                                      |  |    |
| 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |         |       | 0                                                                                                                     |       |       | 0                                            |       |       | 23                                      |  |    |
| 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |         |       | 0                                                                                                                     |       |       | 0                                            |       |       | 24                                      |  |    |
| 997964                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |         |       | 51615                                                                                                                 |       |       | 18976                                        |       |       | 25                                      |  |    |
| 978780                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |         |       | 2898                                                                                                                  |       |       | 426                                          |       |       | 26                                      |  |    |
| 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |         |       | 0                                                                                                                     |       |       | 0                                            |       |       | 27                                      |  |    |
| 1977                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |         |       | 0                                                                                                                     |       |       | 0                                            |       |       | 28                                      |  |    |
| 242407                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |         |       | 13645                                                                                                                 |       |       | 10416                                        |       |       | 29                                      |  |    |
| 188395                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |         |       | 3527                                                                                                                  |       |       | 466                                          |       |       | 30                                      |  |    |
| 1709909                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |         |       | 0                                                                                                                     |       |       | 0                                            |       |       | 31                                      |  |    |
| 1104282                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |         |       | 94777                                                                                                                 |       |       | 21475                                        |       |       | 32                                      |  |    |
| 267397                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |         |       | 0                                                                                                                     |       |       | 1791                                         |       |       | 33                                      |  |    |
| 15806755                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |         |       | 444788                                                                                                                |       |       | 184863                                       |       |       | 34                                      |  |    |
| 0.0504                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |         |       | 0.9740                                                                                                                |       |       | 0.7358                                       |       |       | 35                                      |  |    |
| Coal                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Oil     | Oil   | Oil                                                                                                                   |       |       | Oil                                          |       |       |                                         |  | 36 |
| Tons                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Barrels |       | Barrels                                                                                                               |       |       | Barrels                                      |       |       |                                         |  | 37 |
| 198591                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 3079    | 0     | 2463                                                                                                                  | 0     | 0     | 1253                                         | 0     | 0     |                                         |  | 38 |
| 9205                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 140000  | 0     | 140000                                                                                                                | 0     | 0     | 140000                                       | 0     | 0     |                                         |  | 39 |
| 41.846                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 88.120  | 0.000 | 98.070                                                                                                                | 0.000 | 0.000 | 86.140                                       | 0.000 | 0.000 |                                         |  | 40 |
| 42.247                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 88.280  | 0.000 | 115.216                                                                                                               | 0.000 | 0.000 | 96.140                                       | 0.000 | 0.000 |                                         |  | 41 |
| 2.295                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 15.014  | 0.000 | 19.595                                                                                                                | 0.000 | 0.000 | 16.350                                       | 0.000 | 0.000 |                                         |  | 42 |
| 0.028                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 0.000   | 0.000 | 0.609                                                                                                                 | 0.000 | 0.000 | 0.522                                        | 0.000 | 0.000 |                                         |  | 43 |
| 11733.000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 0.000   | 0.000 | 30310.000                                                                                                             | 0.000 | 0.000 | 29325.000                                    | 0.000 | 0.000 |                                         |  | 44 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |         |       |                                                                                                                       |       |       |                                              |       |       |                                         |  |    |

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|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|-------|-----------------------------------------------------------------------------------------------------------------------|-------|-------|----------------------------------------------|-------|------------------------------------------------|----------|
| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |       |       | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |       |       | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 |       | Year/Period of Report<br>End of <u>2019/Q4</u> |          |
| STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants) (Continued)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |       |       |                                                                                                                       |       |       |                                              |       |                                                |          |
| <p>9. Items under Cost of Plant are based on U. S. of A. Accounts. Production expenses do not include Purchased Power, System Control and Load Dispatching, and Other Expenses Classified as Other Power Supply Expenses. 10. For IC and GT plants, report Operating Expenses, Account Nos. 547 and 549 on Line 25 "Electric Expenses," and Maintenance Account Nos. 553 and 554 on Line 32, "Maintenance of Electric Plant." Indicate plants designed for peak load service. Designate automatically operated plants. 11. For a plant equipped with combinations of fossil fuel steam, nuclear steam, hydro, internal combustion or gas-turbine equipment, report each as a separate plant. However, if a gas-turbine unit functions in a combined cycle operation with a conventional steam unit, include the gas-turbine with the steam plant. 12. If a nuclear power generating plant, briefly explain by footnote (a) accounting method for cost of power generated including any excess costs attributed to research and development; (b) types of cost units used for the various components of fuel cost; and (c) any other informative data concerning plant type fuel used, fuel enrichment type and quantity for the report period and other physical and operating characteristics of plant.</p> |       |       |                                                                                                                       |       |       |                                              |       |                                                |          |
| Plant Name:<br>(d)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |       |       | Plant Name:<br>(e)                                                                                                    |       |       | Plant Name:<br>(f)                           |       |                                                | Line No. |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |       |       |                                                                                                                       |       |       |                                              |       |                                                |          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |       |       |                                                                                                                       |       |       |                                              |       |                                                | 1        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |       |       |                                                                                                                       |       |       |                                              |       |                                                | 2        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |       |       |                                                                                                                       |       |       |                                              |       |                                                | 3        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |       |       |                                                                                                                       |       |       |                                              |       |                                                | 4        |
| 0.00                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |       |       | 0.00                                                                                                                  |       |       | 0.00                                         |       |                                                | 5        |
| 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |       |       | 0                                                                                                                     |       |       | 0                                            |       |                                                | 6        |
| 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |       |       | 0                                                                                                                     |       |       | 0                                            |       |                                                | 7        |
| 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |       |       | 0                                                                                                                     |       |       | 0                                            |       |                                                | 8        |
| 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |       |       | 0                                                                                                                     |       |       | 0                                            |       |                                                | 9        |
| 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |       |       | 0                                                                                                                     |       |       | 0                                            |       |                                                | 10       |
| 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |       |       | 0                                                                                                                     |       |       | 0                                            |       |                                                | 11       |
| 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |       |       | 0                                                                                                                     |       |       | 0                                            |       |                                                | 12       |
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| 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |       |       | 0                                                                                                                     |       |       | 0                                            |       |                                                | 14       |
| 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |       |       | 0                                                                                                                     |       |       | 0                                            |       |                                                | 15       |
| 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |       |       | 0                                                                                                                     |       |       | 0                                            |       |                                                | 16       |
| 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |       |       | 0                                                                                                                     |       |       | 0                                            |       |                                                | 17       |
| 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |       |       | 0                                                                                                                     |       |       | 0                                            |       |                                                | 18       |
| 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |       |       | 0                                                                                                                     |       |       | 0                                            |       |                                                | 19       |
| 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |       |       | 0                                                                                                                     |       |       | 0                                            |       |                                                | 20       |
| 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |       |       | 0                                                                                                                     |       |       | 0                                            |       |                                                | 21       |
| 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |       |       | 0                                                                                                                     |       |       | 0                                            |       |                                                | 22       |
| 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |       |       | 0                                                                                                                     |       |       | 0                                            |       |                                                | 23       |
| 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |       |       | 0                                                                                                                     |       |       | 0                                            |       |                                                | 24       |
| 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |       |       | 0                                                                                                                     |       |       | 0                                            |       |                                                | 25       |
| 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |       |       | 0                                                                                                                     |       |       | 0                                            |       |                                                | 26       |
| 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |       |       | 0                                                                                                                     |       |       | 0                                            |       |                                                | 27       |
| 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |       |       | 0                                                                                                                     |       |       | 0                                            |       |                                                | 28       |
| 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |       |       | 0                                                                                                                     |       |       | 0                                            |       |                                                | 29       |
| 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |       |       | 0                                                                                                                     |       |       | 0                                            |       |                                                | 30       |
| 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |       |       | 0                                                                                                                     |       |       | 0                                            |       |                                                | 31       |
| 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |       |       | 0                                                                                                                     |       |       | 0                                            |       |                                                | 32       |
| 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |       |       | 0                                                                                                                     |       |       | 0                                            |       |                                                | 33       |
| 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |       |       | 0                                                                                                                     |       |       | 0                                            |       |                                                | 34       |
| 0.0000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |       |       | 0.0000                                                                                                                |       |       | 0.0000                                       |       |                                                | 35       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |       |       |                                                                                                                       |       |       |                                              |       |                                                | 36       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |       |       |                                                                                                                       |       |       |                                              |       |                                                | 37       |
| 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 0     | 0     | 0                                                                                                                     | 0     | 0     | 0                                            | 0     | 0                                              | 38       |
| 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 0     | 0     | 0                                                                                                                     | 0     | 0     | 0                                            | 0     | 0                                              | 39       |
| 0.000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 0.000 | 0.000 | 0.000                                                                                                                 | 0.000 | 0.000 | 0.000                                        | 0.000 | 0.000                                          | 40       |
| 0.000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 0.000 | 0.000 | 0.000                                                                                                                 | 0.000 | 0.000 | 0.000                                        | 0.000 | 0.000                                          | 41       |
| 0.000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 0.000 | 0.000 | 0.000                                                                                                                 | 0.000 | 0.000 | 0.000                                        | 0.000 | 0.000                                          | 42       |
| 0.000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 0.000 | 0.000 | 0.000                                                                                                                 | 0.000 | 0.000 | 0.000                                        | 0.000 | 0.000                                          | 43       |
| 0.000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 0.000 | 0.000 | 0.000                                                                                                                 | 0.000 | 0.000 | 0.000                                        | 0.000 | 0.000                                          | 44       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |       |       |                                                                                                                       |       |       |                                              |       |                                                |          |

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|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|-------|-----------------------------------------------------------------------------------------------------------------------|-------|-------|----------------------------------------------|-------|------------------------------------------------|----------|
| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |       |       | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |       |       | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 |       | Year/Period of Report<br>End of <u>2019/Q4</u> |          |
| STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants) (Continued)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |       |       |                                                                                                                       |       |       |                                              |       |                                                |          |
| <p>9. Items under Cost of Plant are based on U. S. of A. Accounts. Production expenses do not include Purchased Power, System Control and Load Dispatching, and Other Expenses Classified as Other Power Supply Expenses. 10. For IC and GT plants, report Operating Expenses, Account Nos. 547 and 549 on Line 25 "Electric Expenses," and Maintenance Account Nos. 553 and 554 on Line 32, "Maintenance of Electric Plant." Indicate plants designed for peak load service. Designate automatically operated plants. 11. For a plant equipped with combinations of fossil fuel steam, nuclear steam, hydro, internal combustion or gas-turbine equipment, report each as a separate plant. However, if a gas-turbine unit functions in a combined cycle operation with a conventional steam unit, include the gas-turbine with the steam plant. 12. If a nuclear power generating plant, briefly explain by footnote (a) accounting method for cost of power generated including any excess costs attributed to research and development; (b) types of cost units used for the various components of fuel cost; and (c) any other informative data concerning plant type fuel used, fuel enrichment type and quantity for the report period and other physical and operating characteristics of plant.</p> |       |       |                                                                                                                       |       |       |                                              |       |                                                |          |
| Plant Name:<br>(d)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |       |       | Plant Name:<br>(e)                                                                                                    |       |       | Plant Name:<br>(f)                           |       |                                                | Line No. |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |       |       |                                                                                                                       |       |       |                                              |       |                                                |          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |       |       |                                                                                                                       |       |       |                                              |       |                                                | 1        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |       |       |                                                                                                                       |       |       |                                              |       |                                                | 2        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |       |       |                                                                                                                       |       |       |                                              |       |                                                | 3        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |       |       |                                                                                                                       |       |       |                                              |       |                                                | 4        |
| 0.00                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |       |       | 0.00                                                                                                                  |       |       | 0.00                                         |       |                                                | 5        |
| 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |       |       | 0                                                                                                                     |       |       | 0                                            |       |                                                | 6        |
| 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |       |       | 0                                                                                                                     |       |       | 0                                            |       |                                                | 7        |
| 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |       |       | 0                                                                                                                     |       |       | 0                                            |       |                                                | 8        |
| 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |       |       | 0                                                                                                                     |       |       | 0                                            |       |                                                | 9        |
| 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |       |       | 0                                                                                                                     |       |       | 0                                            |       |                                                | 10       |
| 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |       |       | 0                                                                                                                     |       |       | 0                                            |       |                                                | 11       |
| 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |       |       | 0                                                                                                                     |       |       | 0                                            |       |                                                | 12       |
| 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |       |       | 0                                                                                                                     |       |       | 0                                            |       |                                                | 13       |
| 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |       |       | 0                                                                                                                     |       |       | 0                                            |       |                                                | 14       |
| 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |       |       | 0                                                                                                                     |       |       | 0                                            |       |                                                | 15       |
| 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |       |       | 0                                                                                                                     |       |       | 0                                            |       |                                                | 16       |
| 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |       |       | 0                                                                                                                     |       |       | 0                                            |       |                                                | 17       |
| 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |       |       | 0                                                                                                                     |       |       | 0                                            |       |                                                | 18       |
| 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |       |       | 0                                                                                                                     |       |       | 0                                            |       |                                                | 19       |
| 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |       |       | 0                                                                                                                     |       |       | 0                                            |       |                                                | 20       |
| 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |       |       | 0                                                                                                                     |       |       | 0                                            |       |                                                | 21       |
| 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |       |       | 0                                                                                                                     |       |       | 0                                            |       |                                                | 22       |
| 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |       |       | 0                                                                                                                     |       |       | 0                                            |       |                                                | 23       |
| 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |       |       | 0                                                                                                                     |       |       | 0                                            |       |                                                | 24       |
| 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |       |       | 0                                                                                                                     |       |       | 0                                            |       |                                                | 25       |
| 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |       |       | 0                                                                                                                     |       |       | 0                                            |       |                                                | 26       |
| 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |       |       | 0                                                                                                                     |       |       | 0                                            |       |                                                | 27       |
| 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |       |       | 0                                                                                                                     |       |       | 0                                            |       |                                                | 28       |
| 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |       |       | 0                                                                                                                     |       |       | 0                                            |       |                                                | 29       |
| 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |       |       | 0                                                                                                                     |       |       | 0                                            |       |                                                | 30       |
| 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |       |       | 0                                                                                                                     |       |       | 0                                            |       |                                                | 31       |
| 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |       |       | 0                                                                                                                     |       |       | 0                                            |       |                                                | 32       |
| 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |       |       | 0                                                                                                                     |       |       | 0                                            |       |                                                | 33       |
| 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |       |       | 0                                                                                                                     |       |       | 0                                            |       |                                                | 34       |
| 0.0000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |       |       | 0.0000                                                                                                                |       |       | 0.0000                                       |       |                                                | 35       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |       |       |                                                                                                                       |       |       |                                              |       |                                                | 36       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |       |       |                                                                                                                       |       |       |                                              |       |                                                | 37       |
| 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 0     | 0     | 0                                                                                                                     | 0     | 0     | 0                                            | 0     | 0                                              | 38       |
| 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 0     | 0     | 0                                                                                                                     | 0     | 0     | 0                                            | 0     | 0                                              | 39       |
| 0.000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 0.000 | 0.000 | 0.000                                                                                                                 | 0.000 | 0.000 | 0.000                                        | 0.000 | 0.000                                          | 40       |
| 0.000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 0.000 | 0.000 | 0.000                                                                                                                 | 0.000 | 0.000 | 0.000                                        | 0.000 | 0.000                                          | 41       |
| 0.000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 0.000 | 0.000 | 0.000                                                                                                                 | 0.000 | 0.000 | 0.000                                        | 0.000 | 0.000                                          | 42       |
| 0.000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 0.000 | 0.000 | 0.000                                                                                                                 | 0.000 | 0.000 | 0.000                                        | 0.000 | 0.000                                          | 43       |
| 0.000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 0.000 | 0.000 | 0.000                                                                                                                 | 0.000 | 0.000 | 0.000                                        | 0.000 | 0.000                                          | 44       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |       |       |                                                                                                                       |       |       |                                              |       |                                                |          |

|                          |                                                                                                                       |                                              |                                  |
|--------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------|----------------------------------|
| Name of Respondent       | This Report is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>2019/Q4 |
| Otter Tail Power Company |                                                                                                                       |                                              |                                  |
| FOOTNOTE DATA            |                                                                                                                       |                                              |                                  |

|                                                                 |
|-----------------------------------------------------------------|
| <b>Schedule Page: 402    Line No.: -1    Column: b</b>          |
| Coyote - Joint facility operated by Otter Tail Power Company    |
| <b>Schedule Page: 402    Line No.: -1    Column: c</b>          |
| Big Stone - Joint facility operated by Otter Tail Power Company |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                   |                                                                                                                       |                                                   |                                              |                                                |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|----------------------------------------------|------------------------------------------------|
| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                   | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |                                                   | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of <u>2019/Q4</u> |
| HYDROELECTRIC GENERATING PLANT STATISTICS (Large Plants)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                   |                                                                                                                       |                                                   |                                              |                                                |
| <p>1. Large plants are hydro plants of 10,000 Kw or more of installed capacity (name plate ratings)</p> <p>2. If any plant is leased, operated under a license from the Federal Energy Regulatory Commission, or operated as a joint facility, indicate such facts in a footnote. If licensed project, give project number.</p> <p>3. If net peak demand for 60 minutes is not available, give that which is available specifying period.</p> <p>4. If a group of employees attends more than one generating plant, report on line 11 the approximate average number of employees assignable to each plant.</p> |                                                   |                                                                                                                       |                                                   |                                              |                                                |
| Line No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Item<br>(a)                                       | FERC Licensed Project No. 0<br>Plant Name: Not applicable<br>(b)                                                      | FERC Licensed Project No. 0<br>Plant Name:<br>(c) |                                              |                                                |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                   |                                                                                                                       |                                                   |                                              |                                                |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                   |                                                                                                                       |                                                   |                                              |                                                |
| 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Kind of Plant (Run-of-River or Storage)           |                                                                                                                       |                                                   |                                              |                                                |
| 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Plant Construction type (Conventional or Outdoor) |                                                                                                                       |                                                   |                                              |                                                |
| 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Year Originally Constructed                       |                                                                                                                       |                                                   |                                              |                                                |
| 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Year Last Unit was Installed                      |                                                                                                                       |                                                   |                                              |                                                |
| 5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Total installed cap (Gen name plate Rating in MW) | 0.00                                                                                                                  | 0.00                                              |                                              |                                                |
| 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Net Peak Demand on Plant-Megawatts (60 minutes)   | 0                                                                                                                     | 0                                                 |                                              |                                                |
| 7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Plant Hours Connect to Load                       | 0                                                                                                                     | 0                                                 |                                              |                                                |
| 8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Net Plant Capability (in megawatts)               |                                                                                                                       |                                                   |                                              |                                                |
| 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | (a) Under Most Favorable Oper Conditions          | 0                                                                                                                     | 0                                                 |                                              |                                                |
| 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | (b) Under the Most Adverse Oper Conditions        | 0                                                                                                                     | 0                                                 |                                              |                                                |
| 11                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Average Number of Employees                       | 0                                                                                                                     | 0                                                 |                                              |                                                |
| 12                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Net Generation, Exclusive of Plant Use - Kwh      | 0                                                                                                                     | 0                                                 |                                              |                                                |
| 13                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Cost of Plant                                     |                                                                                                                       |                                                   |                                              |                                                |
| 14                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Land and Land Rights                              | 0                                                                                                                     | 0                                                 |                                              |                                                |
| 15                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Structures and Improvements                       | 0                                                                                                                     | 0                                                 |                                              |                                                |
| 16                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Reservoirs, Dams, and Waterways                   | 0                                                                                                                     | 0                                                 |                                              |                                                |
| 17                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Equipment Costs                                   | 0                                                                                                                     | 0                                                 |                                              |                                                |
| 18                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Roads, Railroads, and Bridges                     | 0                                                                                                                     | 0                                                 |                                              |                                                |
| 19                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Asset Retirement Costs                            | 0                                                                                                                     | 0                                                 |                                              |                                                |
| 20                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | TOTAL cost (Total of 14 thru 19)                  | 0                                                                                                                     | 0                                                 |                                              |                                                |
| 21                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Cost per KW of Installed Capacity (line 20 / 5)   | 0.0000                                                                                                                | 0.0000                                            |                                              |                                                |
| 22                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Production Expenses                               |                                                                                                                       |                                                   |                                              |                                                |
| 23                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Operation Supervision and Engineering             | 0                                                                                                                     | 0                                                 |                                              |                                                |
| 24                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Water for Power                                   | 0                                                                                                                     | 0                                                 |                                              |                                                |
| 25                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Hydraulic Expenses                                | 0                                                                                                                     | 0                                                 |                                              |                                                |
| 26                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Electric Expenses                                 | 0                                                                                                                     | 0                                                 |                                              |                                                |
| 27                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Misc Hydraulic Power Generation Expenses          | 0                                                                                                                     | 0                                                 |                                              |                                                |
| 28                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Rents                                             | 0                                                                                                                     | 0                                                 |                                              |                                                |
| 29                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Maintenance Supervision and Engineering           | 0                                                                                                                     | 0                                                 |                                              |                                                |
| 30                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Maintenance of Structures                         | 0                                                                                                                     | 0                                                 |                                              |                                                |
| 31                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Maintenance of Reservoirs, Dams, and Waterways    | 0                                                                                                                     | 0                                                 |                                              |                                                |
| 32                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Maintenance of Electric Plant                     | 0                                                                                                                     | 0                                                 |                                              |                                                |
| 33                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Maintenance of Misc Hydraulic Plant               | 0                                                                                                                     | 0                                                 |                                              |                                                |
| 34                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Total Production Expenses (total 23 thru 33)      | 0                                                                                                                     | 0                                                 |                                              |                                                |
| 35                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Expenses per net KWh                              | 0.0000                                                                                                                | 0.0000                                            |                                              |                                                |

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|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|------------------------------------------------|------------------------------------------------|
| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                                 | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019   | Year/Period of Report<br>End of <u>2019/Q4</u> |
| HYDROELECTRIC GENERATING PLANT STATISTICS (Large Plants) (Continued)                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                       |                                                |                                                |
| <p>5. The items under Cost of Plant represent accounts or combinations of accounts prescribed by the Uniform System of Accounts. Production Expenses do not include Purchased Power, System control and Load Dispatching, and Other Expenses classified as "Other Power Supply Expenses."</p> <p>6. Report as a separate plant any plant equipped with combinations of steam, hydro, internal combustion engine, or gas turbine equipment.</p> |                                                                                                                       |                                                |                                                |
| FERC Licensed Project No. 0<br>Plant Name: (d)                                                                                                                                                                                                                                                                                                                                                                                                 | FERC Licensed Project No. 0<br>Plant Name: (e)                                                                        | FERC Licensed Project No. 0<br>Plant Name: (f) | Line No.                                       |
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| 0.00                                                                                                                                                                                                                                                                                                                                                                                                                                           | 0.00                                                                                                                  | 0.00                                           | 5                                              |
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| 0                                                                                                                                                                                                                                                                                                                                                                                                                                              | 0                                                                                                                     | 0                                              | 34                                             |
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| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                      | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of <u>2019/Q4</u> |
| PUMPED STORAGE GENERATING PLANT STATISTICS (Large Plants)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                      |                                                                                                                       |                                              |                                                |
| <p>1. Large plants and pumped storage plants of 10,000 Kw or more of installed capacity (name plate ratings)</p> <p>2. If any plant is leased, operating under a license from the Federal Energy Regulatory Commission, or operated as a joint facility, indicate such facts in a footnote. Give project number.</p> <p>3. If net peak demand for 60 minutes is not available, give the which is available, specifying period.</p> <p>4. If a group of employees attends more than one generating plant, report on line 8 the approximate average number of employees assignable to each plant.</p> <p>5. The items under Cost of Plant represent accounts or combinations of accounts prescribed by the Uniform System of Accounts. Production Expenses do not include Purchased Power System Control and Load Dispatching, and Other Expenses classified as "Other Power Supply Expenses."</p> |                                                      |                                                                                                                       |                                              |                                                |
| Line No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Item<br>(a)                                          | FERC Licensed Project No. 0<br>Plant Name: Not applicable<br>(b)                                                      |                                              |                                                |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                      |                                                                                                                       |                                              |                                                |
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| 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Type of Plant Construction (Conventional or Outdoor) |                                                                                                                       |                                              |                                                |
| 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Year Originally Constructed                          |                                                                                                                       |                                              |                                                |
| 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Year Last Unit was Installed                         |                                                                                                                       |                                              |                                                |
| 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Total installed cap (Gen name plate Rating in MW)    |                                                                                                                       |                                              |                                                |
| 5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Net Peak Demand on Plant-Megawatts (60 minutes)      |                                                                                                                       |                                              |                                                |
| 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Plant Hours Connect to Load While Generating         |                                                                                                                       |                                              |                                                |
| 7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Net Plant Capability (in megawatts)                  |                                                                                                                       |                                              |                                                |
| 8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Average Number of Employees                          |                                                                                                                       |                                              |                                                |
| 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Generation, Exclusive of Plant Use - Kwh             |                                                                                                                       |                                              |                                                |
| 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Energy Used for Pumping                              |                                                                                                                       |                                              |                                                |
| 11                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Net Output for Load (line 9 - line 10) - Kwh         |                                                                                                                       |                                              |                                                |
| 12                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Cost of Plant                                        |                                                                                                                       |                                              |                                                |
| 13                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Land and Land Rights                                 |                                                                                                                       |                                              |                                                |
| 14                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Structures and Improvements                          |                                                                                                                       |                                              |                                                |
| 15                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Reservoirs, Dams, and Waterways                      |                                                                                                                       |                                              |                                                |
| 16                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Water Wheels, Turbines, and Generators               |                                                                                                                       |                                              |                                                |
| 17                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Accessory Electric Equipment                         |                                                                                                                       |                                              |                                                |
| 18                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Miscellaneous Powerplant Equipment                   |                                                                                                                       |                                              |                                                |
| 19                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Roads, Railroads, and Bridges                        |                                                                                                                       |                                              |                                                |
| 20                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Asset Retirement Costs                               |                                                                                                                       |                                              |                                                |
| 21                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Total cost (total 13 thru 20)                        |                                                                                                                       |                                              |                                                |
| 22                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Cost per KW of installed cap (line 21 / 4)           |                                                                                                                       |                                              |                                                |
| 23                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Production Expenses                                  |                                                                                                                       |                                              |                                                |
| 24                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Operation Supervision and Engineering                |                                                                                                                       |                                              |                                                |
| 25                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Water for Power                                      |                                                                                                                       |                                              |                                                |
| 26                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Pumped Storage Expenses                              |                                                                                                                       |                                              |                                                |
| 27                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Electric Expenses                                    |                                                                                                                       |                                              |                                                |
| 28                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Misc Pumped Storage Power generation Expenses        |                                                                                                                       |                                              |                                                |
| 29                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Rents                                                |                                                                                                                       |                                              |                                                |
| 30                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Maintenance Supervision and Engineering              |                                                                                                                       |                                              |                                                |
| 31                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Maintenance of Structures                            |                                                                                                                       |                                              |                                                |
| 32                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Maintenance of Reservoirs, Dams, and Waterways       |                                                                                                                       |                                              |                                                |
| 33                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Maintenance of Electric Plant                        |                                                                                                                       |                                              |                                                |
| 34                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Maintenance of Misc Pumped Storage Plant             |                                                                                                                       |                                              |                                                |
| 35                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Production Exp Before Pumping Exp (24 thru 34)       |                                                                                                                       |                                              |                                                |
| 36                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Pumping Expenses                                     |                                                                                                                       |                                              |                                                |
| 37                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Total Production Exp (total 35 and 36)               |                                                                                                                       |                                              |                                                |
| 38                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Expenses per KWh (line 37 / 9)                       |                                                                                                                       |                                              |                                                |

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| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019         | Year/Period of Report<br>End of <u>2019/Q4</u> |
| PUMPED STORAGE GENERATING PLANT STATISTICS (Large Plants) (Continued)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                       |                                                      |                                                |
| <p>6. Pumping energy (Line 10) is that energy measured as input to the plant for pumping purposes.</p> <p>7. Include on Line 36 the cost of energy used in pumping into the storage reservoir. When this item cannot be accurately computed leave Lines 36, 37 and 38 blank and describe at the bottom of the schedule the company's principal sources of pumping power, the estimated amounts of energy from each station or other source that individually provides more than 10 percent of the total energy used for pumping, and production expenses per net MWH as reported herein for each source described. Group together stations and other resources which individually provide less than 10 percent of total pumping energy. If contracts are made with others to purchase power for pumping, give the supplier contract number, and date of contract.</p> |                                                                                                                       |                                                      |                                                |
| FERC Licensed Project No.<br>Plant Name:<br>(c)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 0<br>FERC Licensed Project No.<br>Plant Name:<br>(d)                                                                  | 0<br>FERC Licensed Project No.<br>Plant Name:<br>(e) | Line<br>No.                                    |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                       |                                                      |                                                |
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| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                             | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |                                                        | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4      |                      |
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| GENERATING PLANT STATISTICS (Small Plants)                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                             |                                                                                                                       |                                                        |                                              |                                              |                      |
| 1. Small generating plants are steam plants of, less than 25,000 Kw; internal combustion and gas turbine-plants, conventional hydro plants and pumped storage plants of less than 10,000 Kw installed capacity (name plate rating). 2. Designate any plant leased from others, operated under a license from the Federal Energy Regulatory Commission, or operated as a joint facility, and give a concise statement of the facts in a footnote. If licensed project, give project number in footnote. |                             |                                                                                                                       |                                                        |                                              |                                              |                      |
| Line No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Name of Plant<br>(a)        | Year Orig. Const.<br>(b)                                                                                              | Installed Capacity Name Plate Rating<br>(In MW)<br>(c) | Net Peak Demand<br>MW<br>(60 min.)<br>(d)    | Net Generation<br>Excluding Plant Use<br>(e) | Cost of Plant<br>(f) |
| 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Hydro:                      |                                                                                                                       |                                                        |                                              |                                              |                      |
| 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Hoot Lake                   | 1914                                                                                                                  | 0.67                                                   | 0.8                                          | 5,391                                        | 661,464              |
| 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Wright                      | 1922                                                                                                                  | 0.40                                                   | 0.5                                          | 2,778                                        | 1,778,450            |
| 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Pisgah                      | 1917                                                                                                                  | 0.65                                                   | 0.8                                          | 5,504                                        | 714,887              |
| 5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Dayton Hollow               | 1909                                                                                                                  | 0.97                                                   | 1.0                                          | 7,213                                        | 1,864,753            |
| 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Taplin Gorge                | 1925                                                                                                                  | 0.56                                                   | 0.3                                          | 4,020                                        | 958,938              |
| 7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Bemidji                     | 1941                                                                                                                  | 0.62                                                   | 0.4                                          | 137                                          | 1,356,162            |
| 8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                             |                                                                                                                       |                                                        |                                              |                                              |                      |
| 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Internal Combustion:        |                                                                                                                       |                                                        |                                              |                                              |                      |
| 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Fergus Falls Control Center | 1995                                                                                                                  | 1.83                                                   | 2.0                                          | 20                                           | 591,638              |
| 11                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                             |                                                                                                                       |                                                        |                                              |                                              |                      |
| 12                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Wind Turbine Plants         |                                                                                                                       |                                                        |                                              |                                              |                      |
| 13                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Langdon                     | 2007                                                                                                                  | 40.50                                                  | 40.4                                         | 137,190                                      | 80,438,029           |
| 14                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Ashtabula                   | 2008                                                                                                                  | 48.00                                                  | 48.2                                         | 139,342                                      | 117,768,621          |
| 15                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Luverne                     | 2009                                                                                                                  | 49.50                                                  | 50.0                                         | 165,726                                      | 75,536,332           |
| 16                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                             |                                                                                                                       |                                                        |                                              |                                              |                      |
| 17                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                             |                                                                                                                       |                                                        |                                              |                                              |                      |
| 18                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                             |                                                                                                                       |                                                        |                                              |                                              |                      |
| 19                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                             |                                                                                                                       |                                                        |                                              |                                              |                      |
| 20                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                             |                                                                                                                       |                                                        |                                              |                                              |                      |
| 21                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                             |                                                                                                                       |                                                        |                                              |                                              |                      |
| 22                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                             |                                                                                                                       |                                                        |                                              |                                              |                      |
| 23                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                             |                                                                                                                       |                                                        |                                              |                                              |                      |
| 24                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                             |                                                                                                                       |                                                        |                                              |                                              |                      |
| 25                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                             |                                                                                                                       |                                                        |                                              |                                              |                      |
| 26                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                             |                                                                                                                       |                                                        |                                              |                                              |                      |
| 27                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                             |                                                                                                                       |                                                        |                                              |                                              |                      |
| 28                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                             |                                                                                                                       |                                                        |                                              |                                              |                      |
| 29                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                             |                                                                                                                       |                                                        |                                              |                                              |                      |
| 30                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                             |                                                                                                                       |                                                        |                                              |                                              |                      |
| 31                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                             |                                                                                                                       |                                                        |                                              |                                              |                      |
| 32                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                             |                                                                                                                       |                                                        |                                              |                                              |                      |
| 33                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                             |                                                                                                                       |                                                        |                                              |                                              |                      |
| 34                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                             |                                                                                                                       |                                                        |                                              |                                              |                      |
| 35                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                             |                                                                                                                       |                                                        |                                              |                                              |                      |
| 36                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                             |                                                                                                                       |                                                        |                                              |                                              |                      |
| 37                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                             |                                                                                                                       |                                                        |                                              |                                              |                      |
| 38                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                             |                                                                                                                       |                                                        |                                              |                                              |                      |
| 39                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                             |                                                                                                                       |                                                        |                                              |                                              |                      |
| 40                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                             |                                                                                                                       |                                                        |                                              |                                              |                      |
| 41                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                             |                                                                                                                       |                                                        |                                              |                                              |                      |
| 42                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                             |                                                                                                                       |                                                        |                                              |                                              |                      |
| 43                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                             |                                                                                                                       |                                                        |                                              |                                              |                      |
| 44                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                             |                                                                                                                       |                                                        |                                              |                                              |                      |
| 45                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                             |                                                                                                                       |                                                        |                                              |                                              |                      |
| 46                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                             |                                                                                                                       |                                                        |                                              |                                              |                      |

| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                           | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |                 | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4   |          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|-----------------------------------------------------------------------------------------------------------------------|-----------------|----------------------------------------------|-------------------------------------------|----------|
| GENERATING PLANT STATISTICS (Small Plants) (Continued)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                           |                                                                                                                       |                 |                                              |                                           |          |
| 3. List plants appropriately under subheadings for steam, hydro, nuclear, internal combustion and gas turbine plants. For nuclear, see instruction 11, Page 403. 4. If net peak demand for 60 minutes is not available, give the which is available, specifying period. 5. If any plant is equipped with combinations of steam, hydro internal combustion or gas turbine equipment, report each as a separate plant. However, if the exhaust heat from the gas turbine is utilized in a steam turbine regenerative feed water cycle, or for preheated combustion air in a boiler, report as one plant. |                           |                                                                                                                       |                 |                                              |                                           |          |
| Plant Cost (Incl Asset Retire. Costs) Per MW (g)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Operation Exc'l. Fuel (h) | Production Expenses                                                                                                   |                 | Kind of Fuel (k)                             | Fuel Costs (in cents per Million Btu) (l) | Line No. |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                           | Fuel (i)                                                                                                              | Maintenance (j) |                                              |                                           |          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                           |                                                                                                                       |                 |                                              |                                           | 1        |
| 869,204                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | -359                      |                                                                                                                       | 24,484 -        |                                              |                                           | 2        |
| 3,542,730                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | -284                      |                                                                                                                       | 40,302 -        |                                              |                                           | 3        |
| 953,182                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | -115                      |                                                                                                                       | 44,868 -        |                                              |                                           | 4        |
| 1,781,044                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | -370                      |                                                                                                                       | 64,641 -        |                                              |                                           | 5        |
| 3,512,594                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | -384                      |                                                                                                                       | 39,154 -        |                                              |                                           | 6        |
| 3,513,374                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 3,706                     |                                                                                                                       | 44,020 -        |                                              |                                           | 7        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                           |                                                                                                                       |                 |                                              |                                           | 8        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                           |                                                                                                                       |                 |                                              |                                           | 9        |
| 289,593                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 2,455                     |                                                                                                                       | 15,124          | Oil                                          |                                           | 10       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                           |                                                                                                                       |                 |                                              |                                           | 11       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                           |                                                                                                                       |                 |                                              |                                           | 12       |
| 1,990,203                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 817,210                   |                                                                                                                       |                 |                                              |                                           | 13       |
| 2,442,218                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 777,056                   |                                                                                                                       | 27,510          |                                              |                                           | 14       |
| 1,509,730                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 753,183                   |                                                                                                                       | 67,440          |                                              |                                           | 15       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                           |                                                                                                                       |                 |                                              |                                           | 16       |
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|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                           |                                                                                                                       |                 |                                              |                                           | 46       |

| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                     | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |                                                               | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |                                                                                |                                   |                        |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|-----------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|----------------------------------------------|-----------------------------------------|--------------------------------------------------------------------------------|-----------------------------------|------------------------|
| TRANSMISSION LINE STATISTICS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                     |                                                                                                                       |                                                               |                                              |                                         |                                                                                |                                   |                        |
| <p>1. Report information concerning transmission lines, cost of lines, and expenses for year. List each transmission line having nominal voltage of 132 kilovolts or greater. Report transmission lines below these voltages in group totals only for each voltage.</p> <p>2. Transmission lines include all lines covered by the definition of transmission system plant as given in the Uniform System of Accounts. Do not report substation costs and expenses on this page.</p> <p>3. Report data by individual lines for all voltages if so required by a State commission.</p> <p>4. Exclude from this page any transmission lines for which plant costs are included in Account 121, Nonutility Property.</p> <p>5. Indicate whether the type of supporting structure reported in column (e) is: (1) single pole wood or steel; (2) H-frame wood, or steel poles; (3) tower; or (4) underground construction. If a transmission line has more than one type of supporting structure, indicate the mileage of each type of construction by the use of brackets and extra lines. Minor portions of a transmission line of a different type of construction need not be distinguished from the remainder of the line.</p> <p>6. Report in columns (f) and (g) the total pole miles of each transmission line. Show in column (f) the pole miles of line on structures the cost of which is reported for the line designated; conversely, show in column (g) the pole miles of line on structures the cost of which is reported for another line. Report pole miles of line on leased or partly owned structures in column (g). In a footnote, explain the basis of such occupancy and state whether expenses with respect to such structures are included in the expenses reported for the line designated.</p> |                     |                                                                                                                       |                                                               |                                              |                                         |                                                                                |                                   |                        |
| Line No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | DESIGNATION         |                                                                                                                       | VOLTAGE (KV)<br>(Indicate where other than 60 cycle, 3 phase) |                                              | Type of Supporting Structure (e)        | LENGTH (Pole miles)<br>(In the case of underground lines report circuit miles) |                                   | Number Of Circuits (h) |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | From (a)            | To (b)                                                                                                                | Operating (c)                                                 | Designed (d)                                 |                                         | On Structure of Line Designated (f)                                            | On Structures of Another Line (g) |                        |
| 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Center              | Maple River                                                                                                           | 345.00                                                        | 345.00                                       | Alum Tower                              | 59.00                                                                          |                                   | 1                      |
| 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Alexandria          | MN Border                                                                                                             | 345.00                                                        | 345.00                                       | Steel Tower                             | 101.00                                                                         |                                   | 1                      |
| 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Big Stone South     | Brookings                                                                                                             | 345.00                                                        | 345.00                                       | Steel Tower                             | 72.00                                                                          |                                   | 1                      |
| 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Big Stone South     | Ellendale                                                                                                             | 345.00                                                        | 345.00                                       | Steel Tower                             | 162.00                                                                         |                                   | 1                      |
| 5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Brookings           | MN Border                                                                                                             | 345.00                                                        | 345.00                                       | Steel Tower                             | 10.00                                                                          |                                   | 1                      |
| 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Cedar Mountain      | Helena                                                                                                                | 345.00                                                        | 345.00                                       | Steel Tower                             | 73.00                                                                          |                                   | 2                      |
| 7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Cedar Mountain      | Lyon County                                                                                                           | 345.00                                                        | 345.00                                       | Steel Tower                             | 49.00                                                                          |                                   | 2                      |
| 8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Chub Lake           | Hampton                                                                                                               | 345.00                                                        | 345.00                                       | Steel Tower                             | 18.00                                                                          |                                   | 1                      |
| 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Chub Lake           | Helena                                                                                                                | 345.00                                                        | 345.00                                       | Steel Tower                             | 21.00                                                                          |                                   | 1                      |
| 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Hazel Creek         | Lyon County                                                                                                           | 345.00                                                        | 345.00                                       | Steel Tower                             | 25.00                                                                          |                                   | 1                      |
| 11                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Lyon County         | MN Border                                                                                                             | 345.00                                                        | 345.00                                       | Steel Tower                             | 49.00                                                                          |                                   | 1                      |
| 12                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | MN Border           | Bison                                                                                                                 | 345.00                                                        | 345.00                                       | Steel Tower                             | 35.00                                                                          |                                   | 1                      |
| 13                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Monticello          | Quarry Sub                                                                                                            | 345.00                                                        | 345.00                                       | Steel Tower                             | 29.00                                                                          |                                   | 1                      |
| 14                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | St Cloud            | Alexandria                                                                                                            | 345.00                                                        | 345.00                                       | Steel Tower                             | 77.00                                                                          |                                   | 1                      |
| 15                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Fergus Falls        | Inman                                                                                                                 | 230.00                                                        | 230.00                                       | Wood H                                  | 19.00                                                                          |                                   | 1                      |
| 16                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Fergus Falls        | Wahpeton                                                                                                              | 230.00                                                        | 230.00                                       | Wood H                                  | 29.00                                                                          |                                   | 1                      |
| 17                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Wahpeton            | Hankinson                                                                                                             | 230.00                                                        | 230.00                                       | Wood H                                  | 26.00                                                                          |                                   | 1                      |
| 18                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Hankinson           | Forman                                                                                                                | 230.00                                                        | 230.00                                       | Wood H                                  | 36.00                                                                          |                                   | 1                      |
| 19                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Forman              | Ellendale                                                                                                             | 230.00                                                        | 230.00                                       | Wood H                                  | 47.00                                                                          |                                   | 1                      |
| 20                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Audubon (W 1/10)    | Badoura                                                                                                               | 230.00                                                        | 230.00                                       | Wood H                                  | 6.00                                                                           |                                   | 1                      |
| 21                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Audubon             | Sheyenne                                                                                                              | 230.00                                                        | 230.00                                       | Wood H                                  | 42.00                                                                          |                                   | 1                      |
| 22                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Winger (E 1/3)      | Wilton                                                                                                                | 230.00                                                        | 230.00                                       | Alum Tower                              | 18.00                                                                          |                                   | 1                      |
| 23                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Grand Forks (M 1/3) | Winnipeg                                                                                                              | 230.00                                                        | 230.00                                       | Wood H                                  | 27.00                                                                          |                                   | 1                      |
| 24                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Big Stone (N 1/3)   | Hankinson                                                                                                             | 230.00                                                        | 230.00                                       | Wood H                                  | 23.00                                                                          |                                   | 1                      |
| 25                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Big Stone (S 1/4)   | Blair                                                                                                                 | 230.00                                                        | 230.00                                       | Wood H                                  | 15.00                                                                          |                                   | 1                      |
| 26                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Harvey              | Coal Creek                                                                                                            | 230.00                                                        | 230.00                                       | Wood H                                  | 75.00                                                                          |                                   | 1                      |
| 27                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Balta               | Harvey                                                                                                                | 230.00                                                        | 230.00                                       | Wood H                                  | 22.00                                                                          |                                   | 1                      |
| 28                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Rugby               | Balta                                                                                                                 | 230.00                                                        | 230.00                                       | Steel H                                 | 18.00                                                                          |                                   | 1                      |
| 29                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Wilton              | Cass Lake                                                                                                             | 230.00                                                        | 230.00                                       | Steel H                                 | 19.00                                                                          |                                   | 1                      |
| 30                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Cass Lake           | Boswell                                                                                                               | 230.00                                                        | 230.00                                       | Steel H                                 | 51.00                                                                          |                                   | 1                      |
| 31                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Hazel Creek         | MN Valley                                                                                                             | 230.00                                                        | 345.00                                       | Steel Tower                             | 5.00                                                                           |                                   | 1                      |
| 32                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Big Stone Plant     | Big Stone South                                                                                                       | 230.00                                                        | 230.00                                       | Steel Tower                             | 2.00                                                                           |                                   | 1                      |
| 33                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Big Stone Plant     | Big Stone South                                                                                                       | 230.00                                                        | 230.00                                       | Steel Tower                             | 2.00                                                                           |                                   | 1                      |
| 34                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                     | Total                                                                                                                 | 115.00                                                        | 115.00                                       | Wood H                                  | 481.00                                                                         |                                   |                        |
| 35                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                     | Total                                                                                                                 | 115.00                                                        | 115.00                                       | SWP                                     | 432.00                                                                         |                                   |                        |
| 36                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                     |                                                                                                                       |                                                               |                                              | TOTAL                                   | 6,191.00                                                                       |                                   | 35                     |

| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |             | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |                                                               | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |                                                                                |                                   |                        |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-----------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|----------------------------------------------|-----------------------------------------|--------------------------------------------------------------------------------|-----------------------------------|------------------------|
| TRANSMISSION LINE STATISTICS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |             |                                                                                                                       |                                                               |                                              |                                         |                                                                                |                                   |                        |
| <p>1. Report information concerning transmission lines, cost of lines, and expenses for year. List each transmission line having nominal voltage of 132 kilovolts or greater. Report transmission lines below these voltages in group totals only for each voltage.</p> <p>2. Transmission lines include all lines covered by the definition of transmission system plant as given in the Uniform System of Accounts. Do not report substation costs and expenses on this page.</p> <p>3. Report data by individual lines for all voltages if so required by a State commission.</p> <p>4. Exclude from this page any transmission lines for which plant costs are included in Account 121, Nonutility Property.</p> <p>5. Indicate whether the type of supporting structure reported in column (e) is: (1) single pole wood or steel; (2) H-frame wood, or steel poles; (3) tower; or (4) underground construction. If a transmission line has more than one type of supporting structure, indicate the mileage of each type of construction by the use of brackets and extra lines. Minor portions of a transmission line of a different type of construction need not be distinguished from the remainder of the line.</p> <p>6. Report in columns (f) and (g) the total pole miles of each transmission line. Show in column (f) the pole miles of line on structures the cost of which is reported for the line designated; conversely, show in column (g) the pole miles of line on structures the cost of which is reported for another line. Report pole miles of line on leased or partly owned structures in column (g). In a footnote, explain the basis of such occupancy and state whether expenses with respect to such structures are included in the expenses reported for the line designated.</p> |             |                                                                                                                       |                                                               |                                              |                                         |                                                                                |                                   |                        |
| Line No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | DESIGNATION |                                                                                                                       | VOLTAGE (KV)<br>(Indicate where other than 60 cycle, 3 phase) |                                              | Type of Supporting Structure (e)        | LENGTH (Pole miles)<br>(In the case of underground lines report circuit miles) |                                   | Number Of Circuits (h) |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | From (a)    | To (b)                                                                                                                | Operating (c)                                                 | Designed (d)                                 |                                         | On Structure of Line Designated (f)                                            | On Structures of Another Line (g) |                        |
| 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |             | Total                                                                                                                 | 115.00                                                        | 115.00                                       | Steel Tower                             | 4.00                                                                           |                                   |                        |
| 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |             | Total                                                                                                                 | 69.00                                                         | 69.00                                        |                                         | 215.00                                                                         |                                   |                        |
| 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |             | Total                                                                                                                 | 41.60                                                         | 41.60                                        | SWP                                     | 3,796.00                                                                       |                                   |                        |
| 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |             | Total                                                                                                                 | 41.60                                                         | 41.60                                        | Underground                             | 1.00                                                                           |                                   |                        |
| 5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |             |                                                                                                                       |                                                               |                                              |                                         |                                                                                |                                   |                        |
| 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |             |                                                                                                                       |                                                               |                                              |                                         |                                                                                |                                   |                        |
| 7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |             |                                                                                                                       |                                                               |                                              |                                         |                                                                                |                                   |                        |
| 8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |             |                                                                                                                       |                                                               |                                              |                                         |                                                                                |                                   |                        |
| 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |             |                                                                                                                       |                                                               |                                              |                                         |                                                                                |                                   |                        |
| 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |             |                                                                                                                       |                                                               |                                              |                                         |                                                                                |                                   |                        |
| 11                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |             |                                                                                                                       |                                                               |                                              |                                         |                                                                                |                                   |                        |
| 12                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |             |                                                                                                                       |                                                               |                                              |                                         |                                                                                |                                   |                        |
| 13                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |             |                                                                                                                       |                                                               |                                              |                                         |                                                                                |                                   |                        |
| 14                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |             |                                                                                                                       |                                                               |                                              |                                         |                                                                                |                                   |                        |
| 15                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |             |                                                                                                                       |                                                               |                                              |                                         |                                                                                |                                   |                        |
| 16                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |             |                                                                                                                       |                                                               |                                              |                                         |                                                                                |                                   |                        |
| 17                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |             |                                                                                                                       |                                                               |                                              |                                         |                                                                                |                                   |                        |
| 18                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |             |                                                                                                                       |                                                               |                                              |                                         |                                                                                |                                   |                        |
| 19                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |             |                                                                                                                       |                                                               |                                              |                                         |                                                                                |                                   |                        |
| 20                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |             |                                                                                                                       |                                                               |                                              |                                         |                                                                                |                                   |                        |
| 21                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |             |                                                                                                                       |                                                               |                                              |                                         |                                                                                |                                   |                        |
| 22                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |             |                                                                                                                       |                                                               |                                              |                                         |                                                                                |                                   |                        |
| 23                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |             |                                                                                                                       |                                                               |                                              |                                         |                                                                                |                                   |                        |
| 24                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |             |                                                                                                                       |                                                               |                                              |                                         |                                                                                |                                   |                        |
| 25                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |             |                                                                                                                       |                                                               |                                              |                                         |                                                                                |                                   |                        |
| 26                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |             |                                                                                                                       |                                                               |                                              |                                         |                                                                                |                                   |                        |
| 27                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |             |                                                                                                                       |                                                               |                                              |                                         |                                                                                |                                   |                        |
| 28                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |             |                                                                                                                       |                                                               |                                              |                                         |                                                                                |                                   |                        |
| 29                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |             |                                                                                                                       |                                                               |                                              |                                         |                                                                                |                                   |                        |
| 30                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |             |                                                                                                                       |                                                               |                                              |                                         |                                                                                |                                   |                        |
| 31                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |             |                                                                                                                       |                                                               |                                              |                                         |                                                                                |                                   |                        |
| 32                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |             |                                                                                                                       |                                                               |                                              |                                         |                                                                                |                                   |                        |
| 33                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |             |                                                                                                                       |                                                               |                                              |                                         |                                                                                |                                   |                        |
| 34                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |             |                                                                                                                       |                                                               |                                              |                                         |                                                                                |                                   |                        |
| 35                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |             |                                                                                                                       |                                                               |                                              |                                         |                                                                                |                                   |                        |
| 36                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |             |                                                                                                                       |                                                               |                                              | TOTAL                                   | 6,191.00                                                                       |                                   | 35                     |

| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                   | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |                   | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |              |                       |          |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|-------------------|----------------------------------------------|-----------------------------------------|--------------|-----------------------|----------|
| TRANSMISSION LINE STATISTICS (Continued)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                   |                                                                                                                       |                   |                                              |                                         |              |                       |          |
| <p>7. Do not report the same transmission line structure twice. Report Lower voltage Lines and higher voltage lines as one line. Designate in a footnote if you do not include Lower voltage lines with higher voltage lines. If two or more transmission line structures support lines of the same voltage, report the pole miles of the primary structure in column (f) and the pole miles of the other line(s) in column (g)</p> <p>8. Designate any transmission line or portion thereof for which the respondent is not the sole owner. If such property is leased from another company, give name of lessor, date and terms of Lease, and amount of rent for year. For any transmission line other than a leased line, or portion thereof, for which the respondent is not the sole owner but which the respondent operates or shares in the operation of, furnish a succinct statement explaining the arrangement and giving particulars (details) of such matters as percent ownership by respondent in the line, name of co-owner, basis of sharing expenses of the Line, and how the expenses borne by the respondent are accounted for, and accounts affected. Specify whether lessor, co-owner, or other party is an associated company.</p> <p>9. Designate any transmission line leased to another company and give name of Lessee, date and terms of lease, annual rent for year, and how determined. Specify whether lessee is an associated company.</p> <p>10. Base the plant cost figures called for in columns (j) to (l) on the book cost at end of year.</p> |                                                                                   |                                                                                                                       |                   |                                              |                                         |              |                       |          |
| Size of Conductor and Material<br>(i)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | COST OF LINE (Include in Column (j) Land, Land rights, and clearing right-of-way) |                                                                                                                       |                   | EXPENSES, EXCEPT DEPRECIATION AND TAXES      |                                         |              |                       | Line No. |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Land<br>(j)                                                                       | Construction and Other Costs<br>(k)                                                                                   | Total Cost<br>(l) | Operation Expenses<br>(m)                    | Maintenance Expenses<br>(n)             | Rents<br>(o) | Total Expenses<br>(p) |          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                   | 5,728,544                                                                                                             | 5,728,544         |                                              |                                         |              |                       | 1        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 2,908,447                                                                         | 30,054,193                                                                                                            | 32,962,640        |                                              |                                         |              |                       | 2        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 3,595,220                                                                         | 49,440,836                                                                                                            | 53,036,056        |                                              |                                         |              |                       | 3        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                   | 106,343,350                                                                                                           | 106,343,350       |                                              |                                         |              |                       | 4        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 93,013                                                                            | 1,046,914                                                                                                             | 1,139,927         |                                              |                                         |              |                       | 5        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 1,365,905                                                                         | 6,388,228                                                                                                             | 7,754,133         |                                              |                                         |              |                       | 6        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 483,093                                                                           | 3,984,308                                                                                                             | 4,467,401         |                                              |                                         |              |                       | 7        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 491,533                                                                           | 2,427,110                                                                                                             | 2,918,643         |                                              |                                         |              |                       | 8        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 869,812                                                                           | 2,154,448                                                                                                             | 3,024,260         |                                              |                                         |              |                       | 9        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 155,095                                                                           | 2,007,320                                                                                                             | 2,162,415         |                                              |                                         |              |                       | 10       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 129,317                                                                           | 3,735,690                                                                                                             | 3,865,007         |                                              |                                         |              |                       | 11       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 616,125                                                                           | 8,167,232                                                                                                             | 8,783,357         |                                              |                                         |              |                       | 12       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 2,259,131                                                                         | 8,201,392                                                                                                             | 10,460,523        |                                              |                                         |              |                       | 13       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 2,680,036                                                                         | 23,297,499                                                                                                            | 25,977,535        |                                              |                                         |              |                       | 14       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                   | 2,024,040                                                                                                             | 2,024,040         |                                              |                                         |              |                       | 15       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                   | 2,198,157                                                                                                             | 2,198,157         |                                              |                                         |              |                       | 16       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                   | 1,430,866                                                                                                             | 1,430,866         |                                              |                                         |              |                       | 17       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 2,160                                                                             | 3,152,484                                                                                                             | 3,154,644         |                                              |                                         |              |                       | 18       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                   | 7,812,663                                                                                                             | 7,812,663         |                                              |                                         |              |                       | 19       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                   | 414,677                                                                                                               | 414,677           |                                              |                                         |              |                       | 20       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                   | 1,692,017                                                                                                             | 1,692,017         |                                              |                                         |              |                       | 21       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                   | 1,852,883                                                                                                             | 1,852,883         |                                              |                                         |              |                       | 22       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                   | 913,195                                                                                                               | 913,195           |                                              |                                         |              |                       | 23       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                   | 803,584                                                                                                               | 803,584           |                                              |                                         |              |                       | 24       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                   | 867,131                                                                                                               | 867,131           |                                              |                                         |              |                       | 25       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                   | 10,672,352                                                                                                            | 10,672,352        |                                              |                                         |              |                       | 26       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                   | 4,433,901                                                                                                             | 4,433,901         |                                              |                                         |              |                       | 27       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                   | 3,486,133                                                                                                             | 3,486,133         |                                              |                                         |              |                       | 28       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 489,732                                                                           | 4,363,752                                                                                                             | 4,853,484         |                                              |                                         |              |                       | 29       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 567,060                                                                           | 10,910,711                                                                                                            | 11,477,771        |                                              |                                         |              |                       | 30       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 47,522                                                                            | 704,213                                                                                                               | 751,735           |                                              |                                         |              |                       | 31       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 53,811                                                                            | 1,022,410                                                                                                             | 1,076,221         |                                              |                                         |              |                       | 32       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 58,247                                                                            | 1,106,693                                                                                                             | 1,164,940         |                                              |                                         |              |                       | 33       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 13,776                                                                            | 14,606,146                                                                                                            | 14,619,922        |                                              |                                         |              |                       | 34       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 1,087,763                                                                         | 35,623,565                                                                                                            | 36,711,328        |                                              |                                         |              |                       | 35       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 18,035,806                                                                        | 373,446,377                                                                                                           | 391,482,183       | 5,357,730                                    | 1,284,611                               | 44,807       | 6,687,148             | 36       |

| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                   | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |                | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |           |                    |          |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------|----------------------------------------------|-----------------------------------------|-----------|--------------------|----------|
| TRANSMISSION LINE STATISTICS (Continued)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                   |                                                                                                                       |                |                                              |                                         |           |                    |          |
| <p>7. Do not report the same transmission line structure twice. Report Lower voltage Lines and higher voltage lines as one line. Designate in a footnote if you do not include Lower voltage lines with higher voltage lines. If two or more transmission line structures support lines of the same voltage, report the pole miles of the primary structure in column (f) and the pole miles of the other line(s) in column (g)</p> <p>8. Designate any transmission line or portion thereof for which the respondent is not the sole owner. If such property is leased from another company, give name of lessor, date and terms of Lease, and amount of rent for year. For any transmission line other than a leased line, or portion thereof, for which the respondent is not the sole owner but which the respondent operates or shares in the operation of, furnish a succinct statement explaining the arrangement and giving particulars (details) of such matters as percent ownership by respondent in the line, name of co-owner, basis of sharing expenses of the Line, and how the expenses borne by the respondent are accounted for, and accounts affected. Specify whether lessor, co-owner, or other party is an associated company.</p> <p>9. Designate any transmission line leased to another company and give name of Lessee, date and terms of lease, annual rent for year, and how determined. Specify whether lessee is an associated company.</p> <p>10. Base the plant cost figures called for in columns (j) to (l) on the book cost at end of year.</p> |                                                                                   |                                                                                                                       |                |                                              |                                         |           |                    |          |
| Size of Conductor and Material (i)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | COST OF LINE (Include in Column (j) Land, Land rights, and clearing right-of-way) |                                                                                                                       |                | EXPENSES, EXCEPT DEPRECIATION AND TAXES      |                                         |           |                    | Line No. |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Land (j)                                                                          | Construction and Other Costs (k)                                                                                      | Total Cost (l) | Operation Expenses (m)                       | Maintenance Expenses (n)                | Rents (o) | Total Expenses (p) |          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 15,567                                                                            | 187,032                                                                                                               | 202,599        |                                              |                                         |           |                    | 1        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 53,441                                                                            | 7,997,103                                                                                                             | 8,050,544      |                                              |                                         |           |                    | 2        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                   | 2,116,144                                                                                                             | 2,116,144      |                                              |                                         |           |                    | 3        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                   | 77,461                                                                                                                | 77,461         |                                              |                                         |           |                    | 4        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                   |                                                                                                                       |                | 5,357,730                                    | 1,284,611                               | 44,807    | 6,687,148          | 5        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                   |                                                                                                                       |                |                                              |                                         |           |                    | 6        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                   |                                                                                                                       |                |                                              |                                         |           |                    | 7        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                   |                                                                                                                       |                |                                              |                                         |           |                    | 8        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                   |                                                                                                                       |                |                                              |                                         |           |                    | 9        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                   |                                                                                                                       |                |                                              |                                         |           |                    | 10       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                   |                                                                                                                       |                |                                              |                                         |           |                    | 11       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                   |                                                                                                                       |                |                                              |                                         |           |                    | 12       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                   |                                                                                                                       |                |                                              |                                         |           |                    | 13       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                   |                                                                                                                       |                |                                              |                                         |           |                    | 14       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                   |                                                                                                                       |                |                                              |                                         |           |                    | 15       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                   |                                                                                                                       |                |                                              |                                         |           |                    | 16       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                   |                                                                                                                       |                |                                              |                                         |           |                    | 17       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                   |                                                                                                                       |                |                                              |                                         |           |                    | 18       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                   |                                                                                                                       |                |                                              |                                         |           |                    | 19       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                   |                                                                                                                       |                |                                              |                                         |           |                    | 20       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                   |                                                                                                                       |                |                                              |                                         |           |                    | 21       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                   |                                                                                                                       |                |                                              |                                         |           |                    | 22       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                   |                                                                                                                       |                |                                              |                                         |           |                    | 23       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                   |                                                                                                                       |                |                                              |                                         |           |                    | 24       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                   |                                                                                                                       |                |                                              |                                         |           |                    | 25       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                   |                                                                                                                       |                |                                              |                                         |           |                    | 26       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                   |                                                                                                                       |                |                                              |                                         |           |                    | 27       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                   |                                                                                                                       |                |                                              |                                         |           |                    | 28       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                   |                                                                                                                       |                |                                              |                                         |           |                    | 29       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                   |                                                                                                                       |                |                                              |                                         |           |                    | 30       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                   |                                                                                                                       |                |                                              |                                         |           |                    | 31       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                   |                                                                                                                       |                |                                              |                                         |           |                    | 32       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                   |                                                                                                                       |                |                                              |                                         |           |                    | 33       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                   |                                                                                                                       |                |                                              |                                         |           |                    | 34       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                   |                                                                                                                       |                |                                              |                                         |           |                    | 35       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 18,035,806                                                                        | 373,446,377                                                                                                           | 391,482,183    | 5,357,730                                    | 1,284,611                               | 44,807    | 6,687,148          | 36       |



|                                                |                                                                                                                       |                                              |                                  |
|------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------|----------------------------------|
| Name of Respondent<br>Otter Tail Power Company | This Report is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>2019/Q4 |
| FOOTNOTE DATA                                  |                                                                                                                       |                                              |                                  |

**Schedule Page: 422.1 Line No.: 5 Column: m**  
Columns m, n, o, and p detail by line not available.

| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                                                  |                  | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |                             | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 |                                 | Year/Period of Report<br>End of 2019/Q4 |                 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|-----------------------------------------------------------------------------------------------------------------------|-----------------------------|----------------------------------------------|---------------------------------|-----------------------------------------|-----------------|
| TRANSMISSION LINES ADDED DURING YEAR                                                                                                                                                                                                                                                                                                                                                                                                                            |                  |                                                                                                                       |                             |                                              |                                 |                                         |                 |
| <p>1. Report below the information called for concerning Transmission lines added or altered during the year. It is not necessary to report minor revisions of lines.</p> <p>2. Provide separate subheadings for overhead and under- ground construction and show each transmission line separately. If actual costs of completed construction are not readily available for reporting columns (l) to (o), it is permissible to report in these columns the</p> |                  |                                                                                                                       |                             |                                              |                                 |                                         |                 |
| Line No.                                                                                                                                                                                                                                                                                                                                                                                                                                                        | LINE DESIGNATION |                                                                                                                       | Line Length in Miles<br>(c) | SUPPORTING STRUCTURE                         |                                 | CIRCUITS PER STRUCTURE                  |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | From<br>(a)      | To<br>(b)                                                                                                             |                             | Type<br>(d)                                  | Average Number per Miles<br>(e) | Present<br>(f)                          | Ultimate<br>(g) |
| 1                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Hetland          | Lake Norden                                                                                                           | 14.00                       | Single Pole                                  | 18.00                           | 1                                       |                 |
| 2                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                  |                                                                                                                       |                             |                                              |                                 |                                         |                 |
| 3                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                  |                                                                                                                       |                             |                                              |                                 |                                         |                 |
| 4                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                  |                                                                                                                       |                             |                                              |                                 |                                         |                 |
| 5                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                  |                                                                                                                       |                             |                                              |                                 |                                         |                 |
| 6                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                  |                                                                                                                       |                             |                                              |                                 |                                         |                 |
| 7                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                  |                                                                                                                       |                             |                                              |                                 |                                         |                 |
| 8                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                  |                                                                                                                       |                             |                                              |                                 |                                         |                 |
| 9                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                  |                                                                                                                       |                             |                                              |                                 |                                         |                 |
| 10                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                  |                                                                                                                       |                             |                                              |                                 |                                         |                 |
| 11                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                  |                                                                                                                       |                             |                                              |                                 |                                         |                 |
| 12                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                  |                                                                                                                       |                             |                                              |                                 |                                         |                 |
| 13                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                  |                                                                                                                       |                             |                                              |                                 |                                         |                 |
| 14                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                  |                                                                                                                       |                             |                                              |                                 |                                         |                 |
| 15                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                  |                                                                                                                       |                             |                                              |                                 |                                         |                 |
| 16                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                  |                                                                                                                       |                             |                                              |                                 |                                         |                 |
| 17                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                  |                                                                                                                       |                             |                                              |                                 |                                         |                 |
| 18                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                  |                                                                                                                       |                             |                                              |                                 |                                         |                 |
| 19                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                  |                                                                                                                       |                             |                                              |                                 |                                         |                 |
| 20                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                  |                                                                                                                       |                             |                                              |                                 |                                         |                 |
| 21                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                  |                                                                                                                       |                             |                                              |                                 |                                         |                 |
| 22                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                  |                                                                                                                       |                             |                                              |                                 |                                         |                 |
| 23                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                  |                                                                                                                       |                             |                                              |                                 |                                         |                 |
| 24                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                  |                                                                                                                       |                             |                                              |                                 |                                         |                 |
| 25                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                  |                                                                                                                       |                             |                                              |                                 |                                         |                 |
| 26                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                  |                                                                                                                       |                             |                                              |                                 |                                         |                 |
| 27                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                  |                                                                                                                       |                             |                                              |                                 |                                         |                 |
| 28                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                  |                                                                                                                       |                             |                                              |                                 |                                         |                 |
| 29                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                  |                                                                                                                       |                             |                                              |                                 |                                         |                 |
| 30                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                  |                                                                                                                       |                             |                                              |                                 |                                         |                 |
| 31                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                  |                                                                                                                       |                             |                                              |                                 |                                         |                 |
| 32                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                  |                                                                                                                       |                             |                                              |                                 |                                         |                 |
| 33                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                  |                                                                                                                       |                             |                                              |                                 |                                         |                 |
| 34                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                  |                                                                                                                       |                             |                                              |                                 |                                         |                 |
| 35                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                  |                                                                                                                       |                             |                                              |                                 |                                         |                 |
| 36                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                  |                                                                                                                       |                             |                                              |                                 |                                         |                 |
| 37                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                  |                                                                                                                       |                             |                                              |                                 |                                         |                 |
| 38                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                  |                                                                                                                       |                             |                                              |                                 |                                         |                 |
| 39                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                  |                                                                                                                       |                             |                                              |                                 |                                         |                 |
| 40                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                  |                                                                                                                       |                             |                                              |                                 |                                         |                 |
| 41                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                  |                                                                                                                       |                             |                                              |                                 |                                         |                 |
| 42                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                  |                                                                                                                       |                             |                                              |                                 |                                         |                 |
| 43                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                  |                                                                                                                       |                             |                                              |                                 |                                         |                 |
| 44                                                                                                                                                                                                                                                                                                                                                                                                                                                              | TOTAL            |                                                                                                                       | 14.00                       |                                              | 18.00                           | 1                                       |                 |

| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                 |                      |                                     | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |                                | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 |                                  | Year/Period of Report<br>End of 2019/Q4 |              |             |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|-------------------------------------|-----------------------------------------------------------------------------------------------------------------------|--------------------------------|----------------------------------------------|----------------------------------|-----------------------------------------|--------------|-------------|
| TRANSMISSION LINES ADDED DURING YEAR (Continued)                                                                                                                                                                               |                      |                                     |                                                                                                                       |                                |                                              |                                  |                                         |              |             |
| costs. Designate, however, if estimated amounts are reported. Include costs of Clearing Land and Rights-of-Way, and Roads and Trails, in column (l) with appropriate footnote, and costs of Underground Conduit in column (m). |                      |                                     |                                                                                                                       |                                |                                              |                                  |                                         |              |             |
| 3. If design voltage differs from operating voltage, indicate such fact by footnote; also where line is other than 60 cycle, 3 phase, indicate such other characteristic.                                                      |                      |                                     |                                                                                                                       |                                |                                              |                                  |                                         |              |             |
| CONDUCTORS                                                                                                                                                                                                                     |                      |                                     | Voltage<br>KV<br>(Operating)<br>(k)                                                                                   | LINE COST                      |                                              |                                  |                                         |              | Line<br>No. |
| Size<br>(h)                                                                                                                                                                                                                    | Specification<br>(i) | Configuration<br>and Spacing<br>(j) |                                                                                                                       | Land and<br>Land Rights<br>(l) | Poles, Towers<br>and Fixtures<br>(m)         | Conductors<br>and Devices<br>(n) | Asset<br>Retire. Costs<br>(o)           | Total<br>(p) |             |
| 1/0 RT2                                                                                                                                                                                                                        | ACSR                 | 6'                                  | 115                                                                                                                   |                                | 2,474,130                                    | 2,474,130                        |                                         | 4,948,260    | 1           |
|                                                                                                                                                                                                                                |                      |                                     |                                                                                                                       |                                |                                              |                                  |                                         |              | 2           |
|                                                                                                                                                                                                                                |                      |                                     |                                                                                                                       |                                |                                              |                                  |                                         |              | 3           |
|                                                                                                                                                                                                                                |                      |                                     |                                                                                                                       |                                |                                              |                                  |                                         |              | 4           |
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|                                                                                                                                                                                                                                |                      |                                     |                                                                                                                       |                                |                                              |                                  |                                         |              | 6           |
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|                                                                                                                                                                                                                                |                      |                                     |                                                                                                                       |                                |                                              |                                  |                                         |              | 15          |
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|                                                                                                                                                                                                                                |                      |                                     |                                                                                                                       |                                |                                              |                                  |                                         |              | 19          |
|                                                                                                                                                                                                                                |                      |                                     |                                                                                                                       |                                |                                              |                                  |                                         |              | 20          |
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|                                                                                                                                                                                                                                |                      |                                     |                                                                                                                       |                                |                                              |                                  |                                         |              | 25          |
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|                                                                                                                                                                                                                                |                      |                                     |                                                                                                                       |                                |                                              |                                  |                                         |              | 27          |
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|                                                                                                                                                                                                                                |                      |                                     |                                                                                                                       |                                |                                              |                                  |                                         |              | 31          |
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|                                                                                                                                                                                                                                |                      |                                     |                                                                                                                       |                                |                                              |                                  |                                         |              | 33          |
|                                                                                                                                                                                                                                |                      |                                     |                                                                                                                       |                                |                                              |                                  |                                         |              | 34          |
|                                                                                                                                                                                                                                |                      |                                     |                                                                                                                       |                                |                                              |                                  |                                         |              | 35          |
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|                                                                                                                                                                                                                                |                      |                                     |                                                                                                                       |                                |                                              |                                  |                                         |              | 37          |
|                                                                                                                                                                                                                                |                      |                                     |                                                                                                                       |                                |                                              |                                  |                                         |              | 38          |
|                                                                                                                                                                                                                                |                      |                                     |                                                                                                                       |                                |                                              |                                  |                                         |              | 39          |
|                                                                                                                                                                                                                                |                      |                                     |                                                                                                                       |                                |                                              |                                  |                                         |              | 40          |
|                                                                                                                                                                                                                                |                      |                                     |                                                                                                                       |                                |                                              |                                  |                                         |              | 41          |
|                                                                                                                                                                                                                                |                      |                                     |                                                                                                                       |                                |                                              |                                  |                                         |              | 42          |
|                                                                                                                                                                                                                                |                      |                                     |                                                                                                                       |                                |                                              |                                  |                                         |              | 43          |
|                                                                                                                                                                                                                                |                      |                                     |                                                                                                                       |                                | 2,474,130                                    | 2,474,130                        |                                         | 4,948,260    | 44          |

| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                              | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |                  | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|------------------|----------------------------------------------|-----------------------------------------|--|
| SUBSTATIONS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                              |                                                                                                                       |                  |                                              |                                         |  |
| <p>1. Report below the information called for concerning substations of the respondent as of the end of the year.</p> <p>2. Substations which serve only one industrial or street railway customer should not be listed below.</p> <p>3. Substations with capacities of Less than 10 MVa except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.</p> <p>4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).</p> |                                              |                                                                                                                       |                  |                                              |                                         |  |
| Line No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Name and Location of Substation<br>(a)       | Character of Substation<br>(b)                                                                                        | VOLTAGE (In MVa) |                                              |                                         |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                              |                                                                                                                       | Primary<br>(c)   | Secondary<br>(d)                             | Tertiary<br>(e)                         |  |
| 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Transmission Subs 10,000 kva or higher       |                                                                                                                       |                  |                                              |                                         |  |
| 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Bemidji, MN - 115 kv - 63246                 | Transmission                                                                                                          | 115.00           | 69.00                                        | 13.80                                   |  |
| 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Big Stone 230 kv - 620314                    | Transmission                                                                                                          | 230.00           | 115.00                                       | 13.80                                   |  |
| 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Big Stone, SD Highway 12 - 63215             | Transmission                                                                                                          | 115.00           | 41.60                                        |                                         |  |
| 5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Big Stone South - 620417                     | Transmission                                                                                                          | 345.00           | 230.00                                       | 34.50                                   |  |
| 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Browns Valley, MN - 230 kv (Peever) - 63325  | Transmission                                                                                                          | 230.00           | 41.60                                        |                                         |  |
| 7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Buffalo, ND - 345 kv - 63258                 | Transmission                                                                                                          | 345.00           | 115.00                                       | 43.00                                   |  |
| 8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Canby, MN - 115 kv - 63211                   | Transmission                                                                                                          | 115.00           | 41.60                                        |                                         |  |
| 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Cass Lake, MN - 115 kv - 63347               | Transmission                                                                                                          | 115.00           | 69.00                                        | 41.60                                   |  |
| 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Cass Lake, MN - 230 kv - 620447              | Transmission                                                                                                          | 230.00           | 115.00                                       | 13.80                                   |  |
| 11                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Clearbrook, MN - 115 kv - 63241              | Transmission                                                                                                          | 115.00           | 41.60                                        |                                         |  |
| 12                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Crookston, MN - 115 kv - 63249               | Transmission                                                                                                          | 115.00           | 41.60                                        |                                         |  |
| 13                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Devils Lake, ND - East 115 kv - 63265        | Transmission                                                                                                          | 115.00           | 41.60                                        |                                         |  |
| 14                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Devils Lake, ND - SW 115 kv - 224            | Transmission                                                                                                          | 115.00           | 41.60                                        |                                         |  |
| 15                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Donaldson, MN - 115 kv - 63255               | Transmission                                                                                                          | 115.00           | 41.60                                        |                                         |  |
| 16                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Fergus Falls, MN - Hoot Lake 115 kv - 63223  | Transmission                                                                                                          | 115.00           | 43.80                                        |                                         |  |
| 17                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Fertile, MN - 115 kv - 63250                 | Transmission                                                                                                          | 115.00           | 41.60                                        |                                         |  |
| 18                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Finley, ND - Pickert 115 kv - 711            | Transmission                                                                                                          | 230.00           | 72.00                                        | 41.60                                   |  |
| 19                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Forman, ND - Forman 230 kv - 63363           | Transmission                                                                                                          | 230.00           | 115.00                                       | 41.60                                   |  |
| 20                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Hensel, ND - 115 kv - 63157                  | Transmission                                                                                                          | 115.00           | 72.00                                        | 43.80                                   |  |
| 21                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Hetland, SD - 115 kv - 63209                 | Transmission                                                                                                          | 115.00           | 41.60                                        |                                         |  |
| 22                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Jamestown, ND - 345 kv - 63369               | Transmission                                                                                                          | 345.00           | 115.00                                       | 43.00                                   |  |
| 23                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Jamestown, ND - Peaking Plant 115 kv - 63272 | Transmission                                                                                                          | 115.00           | 41.60                                        |                                         |  |
| 24                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Maple River, ND - 345 kv - 66792             | Transmission                                                                                                          | 345.00           | 230.00                                       | 13.80                                   |  |
| 25                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Mapleton, ND - 115 kv - 63203                | Transmission                                                                                                          | 115.00           | 41.60                                        |                                         |  |
| 26                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Marietta, MN - 115 kv - 63213                | Transmission                                                                                                          | 115.00           | 41.60                                        |                                         |  |
| 27                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Northwoods, MN - 115kv - 63282               | Transmission                                                                                                          | 115.00           | 41.60                                        |                                         |  |
| 28                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Oakes, ND - 230 kv - 63362                   | Transmission                                                                                                          | 230.00           | 41.60                                        |                                         |  |
| 29                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Ortonville, MN - 115 kv - 63216              | Transmission                                                                                                          | 115.00           | 41.60                                        |                                         |  |
| 30                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Pelican Rapids, MN - 115 k - 63234           | Transmission                                                                                                          | 115.00           | 41.60                                        |                                         |  |
| 31                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Plummer, MN - 115kv - 7967                   | Transmission                                                                                                          | 115.00           | 41.60                                        |                                         |  |
| 32                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Rugby, ND - 230 kv - 63373                   | Transmission                                                                                                          | 230.00           | 115.00                                       | 41.60                                   |  |
| 33                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Rugby, ND - 230 kv - 63373                   | Transmission                                                                                                          | 230.00           | 115.00                                       | 41.60                                   |  |
| 34                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Spiritwood, ND - 620270                      | Transmission                                                                                                          | 115.00           | 41.60                                        |                                         |  |
| 35                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Toronto, SD - 115 kv - 63210                 | Transmission                                                                                                          | 115.00           | 41.60                                        |                                         |  |
| 36                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Wahpeton Inventory                           | Transmission                                                                                                          | 115.00           | 69.00                                        | 41.60                                   |  |
| 37                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Wahpeton Inventory                           | Transmission                                                                                                          | 345.00           | 115.00                                       | 43.00                                   |  |
| 38                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Wahpeton Inventory                           | Transmission                                                                                                          | 115.00           | 43.80                                        |                                         |  |
| 39                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | WAPA Summit, ND                              | Transmission                                                                                                          | 115.00           | 41.60                                        |                                         |  |
| 40                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Winger, MN 63238                             | Transmission                                                                                                          | 230.00           | 115.00                                       | 13.20                                   |  |

| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                        | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |                  | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of <u>2019/Q4</u> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|-----------------------------------------------------------------------------------------------------------------------|------------------|----------------------------------------------|------------------------------------------------|
| SUBSTATIONS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                        |                                                                                                                       |                  |                                              |                                                |
| <p>1. Report below the information called for concerning substations of the respondent as of the end of the year.</p> <p>2. Substations which serve only one industrial or street railway customer should not be listed below.</p> <p>3. Substations with capacities of Less than 10 MVa except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.</p> <p>4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).</p> |                                        |                                                                                                                       |                  |                                              |                                                |
| Line No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Name and Location of Substation<br>(a) | Character of Substation<br>(b)                                                                                        | VOLTAGE (In MVa) |                                              |                                                |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                        |                                                                                                                       | Primary<br>(c)   | Secondary<br>(d)                             | Tertiary<br>(e)                                |
| 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Subtotal:                              |                                                                                                                       | 6670.00          | 2807.20                                      | 525.30                                         |
| 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                        |                                                                                                                       |                  |                                              |                                                |
| 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Transmission Subs Under 10,000 kva     |                                                                                                                       |                  |                                              |                                                |
| 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Colgate                                | Transmission                                                                                                          | 69.00            | 43.80                                        | 12.50                                          |
| 5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Green Valley                           | Transmission                                                                                                          | 67.00            | 41.60                                        |                                                |
| 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Lake Preston East River                | Transmission                                                                                                          | 69.00            | 44.00                                        |                                                |
| 7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | St Vincent                             | Transmission                                                                                                          | 69.00            | 41.60                                        |                                                |
| 8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Wahpeton Inventory                     | Transmission                                                                                                          | 69.00            | 41.60                                        |                                                |
| 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Total:                                 |                                                                                                                       | 7013.00          | 3019.80                                      | 537.80                                         |
| 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                        |                                                                                                                       |                  |                                              |                                                |
| 11                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Distribution Subs 10,000 kva or higher |                                                                                                                       |                  |                                              |                                                |
| 12                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Bemidji, MN 25th Street                | Distribution                                                                                                          | 69.00            | 12.50                                        |                                                |
| 13                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Bemidji, MN Airport                    | Distribution                                                                                                          | 41.60            | 12.50                                        |                                                |
| 14                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Bemidji, MN Nymore                     | Distribution                                                                                                          | 69.00            | 12.50                                        |                                                |
| 15                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Bemidji, MN Industrial Park            | Distribution                                                                                                          | 69.00            | 12.50                                        |                                                |
| 16                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Bottineau, ND Downtown                 | Distribution                                                                                                          | 41.60            | 12.50                                        |                                                |
| 17                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Casselton, ND                          | Distribution                                                                                                          | 41.60            | 12.50                                        |                                                |
| 18                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Casselton, ND Ethanol plant            | Distribution                                                                                                          | 115.00           | 12.50                                        |                                                |
| 19                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Cass Lake, MN                          | Distribution                                                                                                          | 115.00           | 12.50                                        |                                                |
| 20                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Clearbrook, MN Pipeline                | Distribution                                                                                                          | 115.00           | 4.16                                         |                                                |
| 21                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Cooperstown, ND                        | Distribution                                                                                                          | 41.60            | 12.50                                        |                                                |
| 22                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Crookston, MN Parkview                 | Distribution                                                                                                          | 41.60            | 12.50                                        |                                                |
| 23                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Crookston, MN South Main               | Distribution                                                                                                          | 41.60            | 12.50                                        |                                                |
| 24                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Dawson, MN Dawson Mills                | Distribution                                                                                                          | 115.00           | 12.50                                        |                                                |
| 25                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Devils Lake, ND Downtown               | Distribution                                                                                                          | 41.60            | 4.16                                         |                                                |
| 26                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Enderlin, ND                           | Distribution                                                                                                          | 115.00           | 12.50                                        |                                                |
| 27                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Fairmount, ND                          | Distribution                                                                                                          | 115.00           | 12.50                                        |                                                |
| 28                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Fergus Falls, MN Edgetown              | Distribution                                                                                                          | 115.00           | 12.50                                        |                                                |
| 29                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Fergus Falls, MN Hoot Lake             | Distribution                                                                                                          | 115.00           | 12.50                                        |                                                |
| 30                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Fergus Falls, MN South East            | Distribution                                                                                                          | 115.00           | 12.50                                        |                                                |
| 31                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Gwinner, ND                            | Distribution                                                                                                          | 115.00           | 12.50                                        |                                                |
| 32                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Harvey, ND Northwest                   | Distribution                                                                                                          | 115.00           | 12.50                                        |                                                |
| 33                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Itasca, MN Minnesota Pipeline          | Distribution                                                                                                          | 115.00           | 4.16                                         |                                                |
| 34                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Jamestown, ND Downtown                 | Distribution                                                                                                          | 115.00           | 12.50                                        |                                                |
| 35                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Jamestown, ND North                    | Distribution                                                                                                          | 115.00           | 12.50                                        |                                                |
| 36                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Jamestown, ND Potato                   | Distribution                                                                                                          | 115.00           | 12.50                                        |                                                |
| 37                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Jamestown, ND Southwest                | Distribution                                                                                                          | 41.60            | 12.50                                        |                                                |
| 38                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Lake Norden, SD Dairy                  | Distribution                                                                                                          | 41.60            | 12.50                                        |                                                |
| 39                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Lake Norden, SD Dairy                  | Distribution                                                                                                          | 115.00           | 12.50                                        |                                                |
| 40                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Lisbon, ND Town                        | Distribution                                                                                                          | 115.00           | 12.50                                        |                                                |

| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                        | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |                  | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|-----------------------------------------------------------------------------------------------------------------------|------------------|----------------------------------------------|-----------------------------------------|
| SUBSTATIONS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                        |                                                                                                                       |                  |                                              |                                         |
| <p>1. Report below the information called for concerning substations of the respondent as of the end of the year.</p> <p>2. Substations which serve only one industrial or street railway customer should not be listed below.</p> <p>3. Substations with capacities of Less than 10 MVa except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.</p> <p>4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).</p> |                                        |                                                                                                                       |                  |                                              |                                         |
| Line No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Name and Location of Substation<br>(a) | Character of Substation<br>(b)                                                                                        | VOLTAGE (In MVa) |                                              |                                         |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                        |                                                                                                                       | Primary<br>(c)   | Secondary<br>(d)                             | Tertiary<br>(e)                         |
| 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Mahnomen, MN                           | Distribution                                                                                                          | 115.00           | 12.50                                        |                                         |
| 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Milbank, SD Northwest                  | Distribution                                                                                                          | 41.60            | 12.50                                        |                                         |
| 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Milbank, SD South                      | Distribution                                                                                                          | 41.60            | 12.50                                        |                                         |
| 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Morris, MN Northeast                   | Distribution                                                                                                          | 41.60            | 12.50                                        |                                         |
| 5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Morris, MN South                       | Distribution                                                                                                          | 115.00           | 12.50                                        |                                         |
| 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Oakes, ND North                        | Distribution                                                                                                          | 41.60            | 12.50                                        |                                         |
| 7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Parkers Prairie                        | Distribution                                                                                                          | 41.60            | 12.50                                        |                                         |
| 8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Pelican Rapids, MN Turkey Plant        | Distribution                                                                                                          | 115.00           | 12.50                                        |                                         |
| 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Perham, MN                             | Distribution                                                                                                          | 115.00           | 12.50                                        |                                         |
| 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Rosholt, SD                            | Distribution                                                                                                          | 41.60            | 12.50                                        |                                         |
| 11                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Rugby, ND South                        | Distribution                                                                                                          | 41.60            | 12.50                                        |                                         |
| 12                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Spiritwood, ND                         | Distribution                                                                                                          | 115.00           | 12.50                                        |                                         |
| 13                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Wahpeton Inventory                     | Distribution                                                                                                          | 115.00           | 12.50                                        |                                         |
| 14                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Wahpeton Inventory                     | Distribution                                                                                                          | 115.00           | 4.16                                         |                                         |
| 15                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Wahpeton Inventory                     | Distribution                                                                                                          | 41.60            | 12.50                                        |                                         |
| 16                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Wahpeton Inventory                     | Distribution                                                                                                          | 41.60            | 4.16                                         |                                         |
| 17                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Wahpeton, ND North 115 kv - 63230      | Distribution                                                                                                          | 115.00           | 12.50                                        |                                         |
| 18                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Wahpeton, ND Northwest                 | Distribution                                                                                                          | 41.60            | 12.50                                        |                                         |
| 19                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Wheaton, MN South                      | Distribution                                                                                                          | 115.00           | 12.50                                        |                                         |
| 20                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Distribution Subtotal:                 |                                                                                                                       | 3987.40          | 558.30                                       |                                         |
| 21                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                        |                                                                                                                       |                  |                                              |                                         |
| 22                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Distribution Under 10,000 kva          | Distribution                                                                                                          | 42871.32         | 8207.09                                      | 20.29                                   |
| 23                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Distribution Total                     |                                                                                                                       | 46858.72         | 8765.39                                      | 20.29                                   |
| 24                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Transmission From Above                |                                                                                                                       |                  |                                              |                                         |
| 25                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Transmission & Distribution            |                                                                                                                       | 46858.72         | 8765.39                                      | 20.29                                   |
| 26                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                        |                                                                                                                       |                  |                                              |                                         |
| 27                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                        |                                                                                                                       |                  |                                              |                                         |
| 28                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                        |                                                                                                                       |                  |                                              |                                         |
| 29                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                        |                                                                                                                       |                  |                                              |                                         |
| 30                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                        |                                                                                                                       |                  |                                              |                                         |
| 31                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                        |                                                                                                                       |                  |                                              |                                         |
| 32                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                        |                                                                                                                       |                  |                                              |                                         |
| 33                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                        |                                                                                                                       |                  |                                              |                                         |
| 34                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                        |                                                                                                                       |                  |                                              |                                         |
| 35                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                        |                                                                                                                       |                  |                                              |                                         |
| 36                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                        |                                                                                                                       |                  |                                              |                                         |
| 37                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                        |                                                                                                                       |                  |                                              |                                         |
| 38                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                        |                                                                                                                       |                  |                                              |                                         |
| 39                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                        |                                                                                                                       |                  |                                              |                                         |
| 40                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                        |                                                                                                                       |                  |                                              |                                         |

| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |                                            | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |             |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|--------------------------------------------|----------------------------------------------|-----------------------------------------|-------------|
| SUBSTATIONS (Continued)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                |                                                                                                                       |                                            |                                              |                                         |             |
| <p>5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.</p> <p>6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.</p> |                                                |                                                                                                                       |                                            |                                              |                                         |             |
| Capacity of Substation<br>(In Service) (In MVA)<br>(f)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Number of<br>Transformers<br>In Service<br>(g) | Number of<br>Spare<br>Transformers<br>(h)                                                                             | CONVERSION APPARATUS AND SPECIAL EQUIPMENT |                                              |                                         | Line<br>No. |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                |                                                                                                                       | Type of Equipment<br>(i)                   | Number of Units<br>(j)                       | Total Capacity<br>(In MVA)<br>(k)       |             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                |                                                                                                                       |                                            |                                              |                                         | 1           |
| 15                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 1                                              |                                                                                                                       |                                            |                                              |                                         | 2           |
| 233                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 1                                              |                                                                                                                       |                                            |                                              |                                         | 3           |
| 45                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 1                                              |                                                                                                                       |                                            |                                              |                                         | 4           |
| 896                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 2                                              |                                                                                                                       |                                            |                                              |                                         | 5           |
| 27                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 1                                              |                                                                                                                       |                                            |                                              |                                         | 6           |
| 224                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 2                                              |                                                                                                                       |                                            |                                              |                                         | 7           |
| 20                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 1                                              |                                                                                                                       |                                            |                                              |                                         | 8           |
| 65                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 3                                              |                                                                                                                       |                                            |                                              |                                         | 9           |
| 187                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 1                                              |                                                                                                                       |                                            |                                              |                                         | 10          |
| 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 1                                              |                                                                                                                       |                                            |                                              |                                         | 11          |
| 51                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 2                                              |                                                                                                                       |                                            |                                              |                                         | 12          |
| 34                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 1                                              |                                                                                                                       |                                            |                                              |                                         | 13          |
| 30                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 1                                              |                                                                                                                       |                                            |                                              |                                         | 14          |
| 20                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 2                                              |                                                                                                                       |                                            |                                              |                                         | 15          |
| 40                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 2                                              |                                                                                                                       |                                            |                                              |                                         | 16          |
| 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 1                                              |                                                                                                                       |                                            |                                              |                                         | 17          |
| 60                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 1                                              |                                                                                                                       |                                            |                                              |                                         | 18          |
| 125                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 1                                              |                                                                                                                       |                                            |                                              |                                         | 19          |
| 33                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 1                                              |                                                                                                                       |                                            |                                              |                                         | 20          |
| 45                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 1                                              |                                                                                                                       |                                            |                                              |                                         | 21          |
| 672                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 2                                              |                                                                                                                       |                                            |                                              |                                         | 22          |
| 60                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 3                                              |                                                                                                                       |                                            |                                              |                                         | 23          |
| 672                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 2                                              |                                                                                                                       |                                            |                                              |                                         | 24          |
| 15                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 1                                              |                                                                                                                       |                                            |                                              |                                         | 25          |
| 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 1                                              |                                                                                                                       |                                            |                                              |                                         | 26          |
| 12                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 1                                              |                                                                                                                       |                                            |                                              |                                         | 27          |
| 67                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 2                                              |                                                                                                                       |                                            |                                              |                                         | 28          |
| 30                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 1                                              |                                                                                                                       |                                            |                                              |                                         | 29          |
| 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 1                                              |                                                                                                                       |                                            |                                              |                                         | 30          |
| 18                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 1                                              |                                                                                                                       |                                            |                                              |                                         | 31          |
| 215                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 2                                              |                                                                                                                       |                                            |                                              |                                         | 32          |
| 140                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 1                                              |                                                                                                                       |                                            |                                              |                                         | 33          |
| 31                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 2                                              |                                                                                                                       |                                            |                                              |                                         | 34          |
| 45                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 1                                              |                                                                                                                       |                                            |                                              |                                         | 35          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                | 1                                                                                                                     |                                            |                                              |                                         | 36          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                | 1                                                                                                                     |                                            |                                              |                                         | 37          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                | 2                                                                                                                     |                                            |                                              |                                         | 38          |
| 25                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 1                                              |                                                                                                                       |                                            |                                              |                                         | 39          |
| 140                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 1                                              |                                                                                                                       |                                            |                                              |                                         | 40          |

| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |                                            | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |             |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|--------------------------------------------|----------------------------------------------|-----------------------------------------|-------------|
| SUBSTATIONS (Continued)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                |                                                                                                                       |                                            |                                              |                                         |             |
| <p>5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.</p> <p>6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.</p> |                                                |                                                                                                                       |                                            |                                              |                                         |             |
| Capacity of Substation<br>(In Service) (In MVA)<br>(f)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Number of<br>Transformers<br>In Service<br>(g) | Number of<br>Spare<br>Transformers<br>(h)                                                                             | CONVERSION APPARATUS AND SPECIAL EQUIPMENT |                                              |                                         | Line<br>No. |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                |                                                                                                                       | Type of Equipment<br>(i)                   | Number of Units<br>(j)                       | Total Capacity<br>(In MVA)<br>(k)       |             |
| 4332                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 50                                             | 4                                                                                                                     |                                            |                                              |                                         | 1           |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                |                                                                                                                       |                                            |                                              |                                         | 2           |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                |                                                                                                                       |                                            |                                              |                                         | 3           |
| 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 1                                              |                                                                                                                       |                                            |                                              |                                         | 4           |
| 7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 1                                              |                                                                                                                       |                                            |                                              |                                         | 5           |
| 8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 1                                              |                                                                                                                       |                                            |                                              |                                         | 6           |
| 8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 1                                              |                                                                                                                       |                                            |                                              |                                         | 7           |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                | 1                                                                                                                     |                                            |                                              |                                         | 8           |
| 4361                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 54                                             | 5                                                                                                                     |                                            |                                              |                                         | 9           |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                |                                                                                                                       |                                            |                                              |                                         | 10          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                |                                                                                                                       |                                            |                                              |                                         | 11          |
| 15                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 1                                              |                                                                                                                       |                                            |                                              |                                         | 12          |
| 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 1                                              |                                                                                                                       |                                            |                                              |                                         | 13          |
| 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 1                                              |                                                                                                                       |                                            |                                              |                                         | 14          |
| 8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 1                                              |                                                                                                                       |                                            |                                              |                                         | 15          |
| 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 3                                              |                                                                                                                       |                                            |                                              |                                         | 16          |
| 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 1                                              |                                                                                                                       |                                            |                                              |                                         | 17          |
| 66                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 2                                              |                                                                                                                       |                                            |                                              |                                         | 18          |
| 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 1                                              |                                                                                                                       |                                            |                                              |                                         | 19          |
| 20                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 2                                              |                                                                                                                       |                                            |                                              |                                         | 20          |
| 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 1                                              |                                                                                                                       |                                            |                                              |                                         | 21          |
| 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 1                                              |                                                                                                                       |                                            |                                              |                                         | 22          |
| 25                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 2                                              |                                                                                                                       |                                            |                                              |                                         | 23          |
| 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 1                                              |                                                                                                                       |                                            |                                              |                                         | 24          |
| 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 1                                              |                                                                                                                       |                                            |                                              |                                         | 25          |
| 14                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 1                                              |                                                                                                                       |                                            |                                              |                                         | 26          |
| 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 3                                              |                                                                                                                       |                                            |                                              |                                         | 27          |
| 20                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 1                                              |                                                                                                                       |                                            |                                              |                                         | 28          |
| 40                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 2                                              |                                                                                                                       |                                            |                                              |                                         | 29          |
| 37                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 1                                              |                                                                                                                       |                                            |                                              |                                         | 30          |
| 20                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 2                                              |                                                                                                                       |                                            |                                              |                                         | 31          |
| 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 1                                              |                                                                                                                       |                                            |                                              |                                         | 32          |
| 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 1                                              |                                                                                                                       |                                            |                                              |                                         | 33          |
| 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 1                                              |                                                                                                                       |                                            |                                              |                                         | 34          |
| 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 1                                              |                                                                                                                       |                                            |                                              |                                         | 35          |
| 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 1                                              |                                                                                                                       |                                            |                                              |                                         | 36          |
| 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 1                                              |                                                                                                                       |                                            |                                              |                                         | 37          |
| 11                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 1                                              |                                                                                                                       |                                            |                                              |                                         | 38          |
| 94                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 2                                              |                                                                                                                       |                                            |                                              |                                         | 39          |
| 14                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 1                                              |                                                                                                                       |                                            |                                              |                                         | 40          |



| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |                                            | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |             |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|--------------------------------------------|----------------------------------------------|-----------------------------------------|-------------|
| SUBSTATIONS (Continued)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                |                                                                                                                       |                                            |                                              |                                         |             |
| <p>5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.</p> <p>6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.</p> |                                                |                                                                                                                       |                                            |                                              |                                         |             |
| Capacity of Substation<br>(In Service) (In MVA)<br>(f)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Number of<br>Transformers<br>In Service<br>(g) | Number of<br>Spare<br>Transformers<br>(h)                                                                             | CONVERSION APPARATUS AND SPECIAL EQUIPMENT |                                              |                                         | Line<br>No. |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                |                                                                                                                       | Type of Equipment<br>(i)                   | Number of Units<br>(j)                       | Total Capacity<br>(In MVA)<br>(k)       |             |
| 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 1                                              |                                                                                                                       |                                            |                                              |                                         | 1           |
| 63                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 3                                              |                                                                                                                       |                                            |                                              |                                         | 2           |
| 22                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 1                                              |                                                                                                                       |                                            |                                              |                                         | 3           |
| 14                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 1                                              |                                                                                                                       |                                            |                                              |                                         | 4           |
| 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 3                                              |                                                                                                                       |                                            |                                              |                                         | 5           |
| 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 3                                              |                                                                                                                       |                                            |                                              |                                         | 6           |
| 13                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 1                                              |                                                                                                                       |                                            |                                              |                                         | 7           |
| 13                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 1                                              |                                                                                                                       |                                            |                                              |                                         | 8           |
| 13                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 2                                              |                                                                                                                       |                                            |                                              |                                         | 9           |
| 11                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 1                                              |                                                                                                                       |                                            |                                              |                                         | 10          |
| 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 1                                              |                                                                                                                       |                                            |                                              |                                         | 11          |
| 14                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 1                                              |                                                                                                                       |                                            |                                              |                                         | 12          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                | 2                                                                                                                     |                                            |                                              |                                         | 13          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                | 1                                                                                                                     |                                            |                                              |                                         | 14          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                | 1                                                                                                                     |                                            |                                              |                                         | 15          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                | 1                                                                                                                     |                                            |                                              |                                         | 16          |
| 24                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 2                                              |                                                                                                                       |                                            |                                              |                                         | 17          |
| 22                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 2                                              |                                                                                                                       |                                            |                                              |                                         | 18          |
| 14                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 1                                              |                                                                                                                       |                                            |                                              |                                         | 19          |
| 807                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 63                                             | 5                                                                                                                     |                                            |                                              |                                         | 20          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                |                                                                                                                       |                                            |                                              |                                         | 21          |
| 1083                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 962                                            |                                                                                                                       |                                            |                                              |                                         | 22          |
| 1890                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 1025                                           | 5                                                                                                                     |                                            |                                              |                                         | 23          |
| 4358                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 54                                             | 5                                                                                                                     |                                            |                                              |                                         | 24          |
| 6247                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 1079                                           | 10                                                                                                                    |                                            |                                              |                                         | 25          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                |                                                                                                                       |                                            |                                              |                                         | 26          |
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|                          |                                                                                                                       |                                              |                                  |
|--------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------|----------------------------------|
| Name of Respondent       | This Report is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>2019/Q4 |
| Otter Tail Power Company |                                                                                                                       |                                              |                                  |
| FOOTNOTE DATA            |                                                                                                                       |                                              |                                  |

**Schedule Page: 426    Line No.: 3    Column: a**

Joint ownership, Otter Tail Power Company, 53.9%; Northwestern Public Service Company, 23.4%; Montana-Dakota Utilities Company, 22.7%. Expenses are shared on ownership percent basis. Accounts affected are regular accounts applicable to substations. None of the owners are associated companies.

Columns C, D, and E are reported in KVA.

| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                           | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |                                    | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|------------------------------------|----------------------------------------------|-----------------------------------------|
| <b>TRANSACTIONS WITH ASSOCIATED (AFFILIATED) COMPANIES</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                           |                                                                                                                       |                                    |                                              |                                         |
| <p>1. Report below the information called for concerning all non-power goods or services received from or provided to associated (affiliated) companies.</p> <p>2. The reporting threshold for reporting purposes is \$250,000. The threshold applies to the annual amount billed to the respondent or billed to an associated/affiliated company for non-power goods and services. The good or service must be specific in nature. Respondents should not attempt to include or aggregate amounts in a nonspecific category such as "general".</p> <p>3. Where amounts billed to or received from the associated (affiliated) company are based on an allocation process, explain in a footnote.</p> |                                                           |                                                                                                                       |                                    |                                              |                                         |
| Line No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Description of the Non-Power Good or Service<br>(a)       | Name of Associated/Affiliated Company<br>(b)                                                                          | Account Charged or Credited<br>(c) | Amount Charged or Credited<br>(d)            |                                         |
| 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>Non-power Goods or Services Provided by Affiliated</b> |                                                                                                                       |                                    |                                              |                                         |
| 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Construction work in progress                             | Otter Tail Corporation                                                                                                | 107                                | 21,519                                       |                                         |
| 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Expenditures for certain civic, political & relat         | Otter Tail Corporation                                                                                                | 426.4                              | 15,787                                       |                                         |
| 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Dividends declared - common stock                         | Otter Tail Corporation                                                                                                | 438                                | 44,527,787                                   |                                         |
| 5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Corporate allocated A&G expense                           | Otter Tail Corporation                                                                                                | See Note                           | 11,837,402                                   |                                         |
| 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                           |                                                                                                                       |                                    |                                              |                                         |
| 7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                           |                                                                                                                       |                                    |                                              |                                         |
| 8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                           |                                                                                                                       |                                    |                                              |                                         |
| 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                           |                                                                                                                       |                                    |                                              |                                         |
| 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                           |                                                                                                                       |                                    |                                              |                                         |
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| 14                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                           |                                                                                                                       |                                    |                                              |                                         |
| 15                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                           |                                                                                                                       |                                    |                                              |                                         |
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| 17                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                           |                                                                                                                       |                                    |                                              |                                         |
| 18                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                           |                                                                                                                       |                                    |                                              |                                         |
| 19                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                           |                                                                                                                       |                                    |                                              |                                         |
| 20                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>Non-power Goods or Services Provided for Affiliate</b> |                                                                                                                       |                                    |                                              |                                         |
| 21                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Printing, design & mailing services                       | Otter Tail Corporation                                                                                                | 417                                | 28,108                                       |                                         |
| 22                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Other deductions                                          | Otter Tail Corporation                                                                                                | 426.5                              | 351,322                                      |                                         |
| 23                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Printing, design & mailing services                       | TO Plastics                                                                                                           | 417                                | 3,273                                        |                                         |
| 24                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Printing, design & mailing services                       | BTD Manufacturing                                                                                                     | 417                                | 16,524                                       |                                         |
| 25                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                           |                                                                                                                       |                                    |                                              |                                         |
| 26                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                           |                                                                                                                       |                                    |                                              |                                         |
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| 30                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                           |                                                                                                                       |                                    |                                              |                                         |
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| 34                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                           |                                                                                                                       |                                    |                                              |                                         |
| 35                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                           |                                                                                                                       |                                    |                                              |                                         |
| 36                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                           |                                                                                                                       |                                    |                                              |                                         |
| 37                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                           |                                                                                                                       |                                    |                                              |                                         |
| 38                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                           |                                                                                                                       |                                    |                                              |                                         |
| 39                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                           |                                                                                                                       |                                    |                                              |                                         |
| 40                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                           |                                                                                                                       |                                    |                                              |                                         |
| 41                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                           |                                                                                                                       |                                    |                                              |                                         |
| 42                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                           |                                                                                                                       |                                    |                                              |                                         |
| 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>Non-power Goods or Services Provided by Affiliated</b> |                                                                                                                       |                                    |                                              |                                         |
| 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                           |                                                                                                                       |                                    |                                              |                                         |

| Name of Respondent<br>Otter Tail Power Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                           | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |                                    | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>End of 2019/Q4 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|------------------------------------|----------------------------------------------|-----------------------------------------|
| <b>TRANSACTIONS WITH ASSOCIATED (AFFILIATED) COMPANIES</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                           |                                                                                                                       |                                    |                                              |                                         |
| <p>1. Report below the information called for concerning all non-power goods or services received from or provided to associated (affiliated) companies.</p> <p>2. The reporting threshold for reporting purposes is \$250,000. The threshold applies to the annual amount billed to the respondent or billed to an associated/affiliated company for non-power goods and services. The good or service must be specific in nature. Respondents should not attempt to include or aggregate amounts in a nonspecific category such as "general".</p> <p>3. Where amounts billed to or received from the associated (affiliated) company are based on an allocation process, explain in a footnote.</p> |                                                           |                                                                                                                       |                                    |                                              |                                         |
| Line No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Description of the Non-Power Good or Service<br>(a)       | Name of Associated/Affiliated Company<br>(b)                                                                          | Account Charged or Credited<br>(c) | Amount Charged or Credited<br>(d)            |                                         |
| 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                           |                                                                                                                       |                                    |                                              |                                         |
| 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                           |                                                                                                                       |                                    |                                              |                                         |
| 5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                           |                                                                                                                       |                                    |                                              |                                         |
| 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                           |                                                                                                                       |                                    |                                              |                                         |
| 7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                           |                                                                                                                       |                                    |                                              |                                         |
| 8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                           |                                                                                                                       |                                    |                                              |                                         |
| 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                           |                                                                                                                       |                                    |                                              |                                         |
| 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                           |                                                                                                                       |                                    |                                              |                                         |
| 11                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                           |                                                                                                                       |                                    |                                              |                                         |
| 12                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                           |                                                                                                                       |                                    |                                              |                                         |
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| 14                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                           |                                                                                                                       |                                    |                                              |                                         |
| 15                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                           |                                                                                                                       |                                    |                                              |                                         |
| 16                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                           |                                                                                                                       |                                    |                                              |                                         |
| 17                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                           |                                                                                                                       |                                    |                                              |                                         |
| 18                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                           |                                                                                                                       |                                    |                                              |                                         |
| 19                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                           |                                                                                                                       |                                    |                                              |                                         |
| 20                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>Non-power Goods or Services Provided for Affiliate</b> |                                                                                                                       |                                    |                                              |                                         |
| 21                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                           |                                                                                                                       |                                    |                                              |                                         |
| 22                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                           |                                                                                                                       |                                    |                                              |                                         |
| 23                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                           |                                                                                                                       |                                    |                                              |                                         |
| 24                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                           |                                                                                                                       |                                    |                                              |                                         |
| 25                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                           |                                                                                                                       |                                    |                                              |                                         |
| 26                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                           |                                                                                                                       |                                    |                                              |                                         |
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| 28                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                           |                                                                                                                       |                                    |                                              |                                         |
| 29                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                           |                                                                                                                       |                                    |                                              |                                         |
| 30                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                           |                                                                                                                       |                                    |                                              |                                         |
| 31                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                           |                                                                                                                       |                                    |                                              |                                         |
| 32                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                           |                                                                                                                       |                                    |                                              |                                         |
| 33                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                           |                                                                                                                       |                                    |                                              |                                         |
| 34                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                           |                                                                                                                       |                                    |                                              |                                         |
| 35                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                           |                                                                                                                       |                                    |                                              |                                         |
| 36                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                           |                                                                                                                       |                                    |                                              |                                         |
| 37                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                           |                                                                                                                       |                                    |                                              |                                         |
| 38                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                           |                                                                                                                       |                                    |                                              |                                         |
| 39                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                           |                                                                                                                       |                                    |                                              |                                         |
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|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                           |                                                                                                                       |                                    |                                              |                                         |

|                          |                                                                                                                       |                                              |                                  |
|--------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------|----------------------------------|
| Name of Respondent       | This Report is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2019 | Year/Period of Report<br>2019/Q4 |
| Otter Tail Power Company |                                                                                                                       |                                              |                                  |
| FOOTNOTE DATA            |                                                                                                                       |                                              |                                  |

**Schedule Page: 429 Line No.: 5 Column: a**

Corporate allocated A&G expenses are allocated in accordance with Otter Tail Corporation's Corporate Cost Allocation Manual as approved by the Minnesota Public Utilities Commission, the North Dakota Public Service Commission, and the South Dakota Public Utilities Commission.

**Schedule Page: 429 Line No.: 5 Column: c**

The following accounts were charged:

|       |            |
|-------|------------|
| 456.0 | 8,637      |
| 500.0 | 15,799     |
| 506.0 | 10,975     |
| 903.0 | 3,347      |
| 912.0 | 5,275      |
| 920.0 | 4,881,762  |
| 921.0 | 3,994,314  |
| 923.0 | 1,053,084  |
| 924.0 | 9,419      |
| 925.0 | 157,414    |
| 926.0 | 2,884      |
| 928.0 | 18,216     |
| 930.1 | 12,392     |
| 930.2 | 1,141,908  |
| 931.0 | 123,376    |
| 935.0 | 398,598    |
|       | <hr/>      |
|       | 11,837,402 |

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