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October 30, 2020



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

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

Dear Mr. Kahl:

Pursuant to the above-referenced order, enclosed is a worksheet, identified as Statement B. This Statement shows the total estimated impact of changes in depreciation rates on North Dakota. Page 2 of Statement B shows the estimated impact to be an increase in annual depreciation expense of \$331,631 for the North Dakota Jurisdiction.

Also included with this filing is the Minnesota Public Utilities Commission (MPUC) Order dated October 1, 2020 (Order) certifying proposed remaining lives and net salvage percentages. This Order certifies depreciation rates and methods based on Otter Tail Power Company's (Otter Tail) most recent depreciation study. The MPUC also determined that the remaining life values for Hoot Lake Plant must be reduced by one year, and that any unrecovered depreciation expense balance for Hoot Lake Plant may be treated as a regulatory asset for the purpose of seeking possible recovery in Otter Tail's next Minnesota general rate case. This and other key order points are provided on page 6 of the Order. The parameters are effective January 1, 2020. A copy of Otter Tail's initial Annual Review of Depreciation Certification filing (Initial Filing) submitted to the MPUC on August 30, 2019 is enclosed in this compliance filing. Attachment 2 of this Initial Filing lists the remaining lives and net salvage, or amortization periods requested for certification.

An electronic copy of this filing is being sent to you at ndpsc@nd.gov. These items are filed for your information. If you have any questions, please contact me at 218-739-8042 or pfoster@otpc.com.

Sincerely,

/s/ PAULA M. FOSTER

Paula M. Foster
Rates Analyst, Regulatory Administration

cjh
Enclosures
By electronic filing and U.S. Mail

An Equal Opportunity Employer

1 PU-20-437 Filed 10/30/2020 Pages: 81
Compliance filing - 2020 annual depreciation rates
Otter Tail Power Company
Paula Foster, Rates Analyst

AN  OTTER TAIL COMPANY

Estimated Impact on North Dakota

Statement B

2019 Technical Update



**North Dakota
(Statement B)**

OTTER TAIL POWER COMPANY

Statement B

Comparison of Current and Updated Accruals

Current: VG Procedure / RL Technique

Proposed: VG Procedure / RL Technique

Account Description A	12/31/18 Plant Investment B	North Dakota Allocation Factor C	Current Annual Accrual		Updated Annual Accrual		Difference	
			Total D	North Dakota E=C*D	Total F	North Dakota G=C*F	Total H=F-D	North Dakota I=G-E
INTANGIBLE PLANT								
303.91 Software - 5 Year	\$ 8,829,670	0.41224453	\$ 1,765,934	\$ 727,997	\$ 1,765,934	\$ 727,997	\$ -	\$ -
303.92 Software - 10 Year								
Total Intangible Plant	\$ 8,873,135		\$ 1,765,934	\$ 727,997	\$ 1,765,934	\$ 727,997	\$ -	\$ -
STEAM PRODUCTION								
311.00 Structures and Improvements	\$ 119,993,612	0.35866539	\$ 3,058,231	\$ 1,096,882	\$ 3,032,710	\$ 1,087,729	\$ (25,521)	\$ (9,153)
312.00 Boiler Plant Equipment	340,331,009	0.35866539	12,089,381	4,336,042	12,805,232	4,592,794	715,851	256,752
312.10 Boiler Plant Equipment - Landfill	10,414,056	0.35866539	234,316	84,041	234,316	84,041		
314.00 Turbogenerator Units	65,812,502	0.35866539	1,714,181	614,817	1,799,804	645,527	85,623	30,710
315.00 Accessory Electric Equipment	35,548,098	0.35866539	883,917	317,030	887,321	318,251	3,404	1,221
316.00 Miscellaneous Power Plant Equipment	6,552,744	0.35866539	244,721	87,773	272,480	97,728	27,759	9,955
Total Steam Production Plant	\$ 578,652,021		\$ 18,224,747	\$ 6,536,585	\$ 19,031,863	\$ 6,826,070	\$ 807,116	\$ 289,485
HYDRAULIC PRODUCTION								
331.00 Structures and Improvements	\$ 351,712	0.35866539	\$ 23,704	\$ 8,502	\$ 25,713	\$ 9,221	\$ 2,009	\$ 719
332.00 Reservoirs, Dams and Waterways	4,277,055	0.35866539	461,239	165,431	500,493	179,510	39,254	14,079
333.00 Water Wheels, Turbines & Generators	1,373,867	0.35866539	84,099	30,163	91,280	32,739	7,181	2,576
334.00 Accessory Electric Equipment	597,103	0.35866539	37,672	13,511	40,869	14,658	3,197	1,147
335.00 Miscellaneous Power Plant Equipment	435,295	0.35866539	54,355	19,495	58,755	21,073	4,400	1,578
Total Hydraulic Production Plant	\$ 7,035,032		\$ 661,069	\$ 237,102	\$ 717,110	\$ 257,201	\$ 56,041	\$ 20,099
OTHER PRODUCTION								
341.00 Structures and Improvements	\$ 13,335,844	0.35971870	\$ 513,495	\$ 184,724	\$ 524,710	\$ 188,748	\$ 11,215	\$ 4,024
342.00 Fuel Holders and Accessories	1,748,265	0.35867202	47,685	17,103	47,832	17,156	147	53
343.00 Prime Movers	33,356,309	0.35866687	885,411	317,566	910,282	326,488	24,871	8,922
344.00 Generators	241,850,906	0.36020021	11,116,426	4,004,140	11,167,642	4,022,587	51,216	18,447
345.00 Accessory Electric Equipment	20,688,763	0.36010791	905,695	326,148	908,922	327,310	3,227	1,162
346.00 Miscellaneous Power Plant Equipment	628,270	0.35923390	23,750	8,531	23,809	8,553	59	22
Total Other Production Plant	\$ 311,608,357		\$ 13,492,462	\$ 4,858,212	\$ 13,583,197	\$ 4,890,842	\$ 90,735	\$ 32,630
TRANSMISSION PLANT								
353.00 Station Equipment	\$ 125,116,170	0.40212281	\$ 1,976,835	\$ 794,930	\$ 1,964,324	\$ 789,899	\$ (12,511)	\$ (5,031)
354.00 Towers and Fixtures	114,207,269	0.40212281	1,667,426	670,510	1,667,426	670,510		
355.00 Poles and Fixtures	123,728,553	0.40212281	2,227,114	895,573	2,239,487	900,549	12,373	4,976
356.00 Overhead Conductors and Devices	131,339,013	0.40212281	2,114,558	850,312	2,088,290	839,749	(26,268)	(10,563)
358.00 Underground Conductors and Devices	77,461	0.40212281	527	212	488	196	(39)	(16)
Total Transmission Plant	\$ 494,468,466		\$ 7,986,460	\$ 3,211,537	\$ 7,960,015	\$ 3,200,903	\$ (26,445)	\$ (10,634)
DISTRIBUTION PLANT								
362.00 Station Equipment	\$ 82,220,295	0.46153923	\$ 1,595,074	\$ 736,189	\$ 1,595,074	\$ 736,189	\$ -	\$ -
364.00 Poles, Towers and Fixtures	75,363,243	0.46153923	2,193,070	1,012,188	2,193,070	1,012,188		
365.00 Overhead Conductors and Devices	53,159,263	0.46153923	1,185,452	547,133	1,190,767	549,586	5,315	2,453
367.00 Underground Conductors and Devices	82,606,884	0.46153923	1,652,138	762,527	1,668,659	770,152	16,521	7,625
368.00 Line Transformers	103,417,431	0.46153923	1,851,172	854,388	1,851,172	854,388		

OTTER TAIL POWER COMPANY

Statement B

Comparison of Current and Updated Accruals

Current: VG Procedure / RL Technique

Proposed: VG Procedure / RL Technique

Account Description A	12/31/18	North Dakota Allocation Factor C	Current Annual Accrual		Updated Annual Accrual		Difference	
	Plant Investment B		Total D	North Dakota E=C*D	Total F	North Dakota G=C*F	Total H=F-D	North Dakota I=G-E
	369.00 Overhead Services	13,287,178	0.46153923	779,957	359,981	785,272	362,434	5,315
369.10 Underground Services	43,548,794	0.46153923	975,493	450,228	975,493	450,228		
370.00 Meters	27,166,163	0.46153923	918,216	423,793	926,366	427,554	8,150	3,761
370.10 Load Management Switches	8,907,627	0.46153923	250,304	115,525	187,060	86,336	(63,244)	(29,189)
371.20 Other Private Lighting	5,429,418	0.46153923	174,827	80,690	184,057	84,950	9,230	4,260
373.00 Street Lighting and Signal Systems	5,966,592	0.46153923	210,024	96,934	223,151	102,993	13,127	6,059
Total Distribution Plant	\$ 501,072,888		\$ 11,785,727	\$ 5,439,576	\$ 11,780,141	\$ 5,436,998	\$ (5,586)	\$ (2,578)
GENERAL PLANT								
Depreciable								
390.00 Structures and Improvements	\$ 20,230,767	0.41224453	\$ 392,477	\$ 161,796	\$ 388,431	\$ 160,129	\$ (4,046)	\$ (1,667)
390.10 General Office Buildings	6,066,473	0.41224453	31,546	13,005	33,972	14,005	2,426	1,000
390.20 Fleet Service Center Building	937,678	0.41224453	7,408	3,054	7,126	2,938	(282)	(116)
390.30 Central Stores Building	4,250,359	0.41224453	(33,153)	(13,667)	(24,227)	(9,987)	8,926	3,680
396.00 Power Operated Equipment	922,562	0.41224453	37,272	15,365	36,995	15,251	(277)	(114)
397.40 Communication Towers	1,861,238	0.41224453	31,827	13,121	31,455	12,967	(372)	(154)
Total Depreciable	\$ 34,269,077		\$ 467,377	\$ 192,674	\$ 473,752	\$ 195,303	\$ 6,375	\$ 2,629
Amortizable								
391.00 Office Furniture	\$ 816,310	0.41224453	\$ 54,448	\$ 22,446	\$ 54,448	\$ 22,446	\$ -	\$ -
391.10 Office Equipment	408,787	0.41224453	40,879	16,852	40,879	16,852		
391.20 Duplicating Equipment	303,558	0.41224453	30,356	12,514	30,356	12,514		
391.50 Computer Systems	3,516,830	0.41224453	703,366	289,959	703,366	289,959		
391.60 Computer Related Equipment	1,034,533	0.41224453	206,907	85,296	206,907	85,296		
394.00 Tools, Shop and Garage Equipment	4,048,897	0.41224453	270,061	111,331	270,061	111,331		
394.20 Automated Meter Reading Equipment	892,082	0.41224453	59,502	24,529	59,502	24,529		
397.00 Communication Equipment	2,722,368	0.41224453	181,582	74,856	181,582	74,856		
397.10 Radio Telecommunication Equipment	1,032,843	0.41224453	103,284	42,578	103,284	42,578		
397.20 Microwave Equipment	4,150,620	0.41224453	276,846	114,128	276,846	114,128		
397.30 Radio Load Control Equipment	459,343	0.41224453	45,934	18,936	45,934	18,936		
Total Amortizable	\$ 19,386,171		\$ 1,973,165	\$ 813,425	\$ 1,973,165	\$ 813,425	\$ -	\$ -
Total General Plant	\$ 53,655,248		\$ 2,440,542	\$ 1,006,099	\$ 2,446,917	\$ 1,008,728	\$ 6,375	\$ 2,629
TOTAL UTILITY	\$ 1,955,321,682		\$ 56,356,941	\$ 22,017,108	\$ 57,285,177	\$ 22,348,739	\$ 928,236	\$ 331,631

OTTER TAIL POWER COMPANY

Statement B

Comparison of Current and Updated Accruals

Current: VG Procedure / RL Technique

Proposed: VG Procedure / RL Technique

Account Description A	12/31/18 Plant Investment B	North Dakota Allocation Factor C	Current Annual Accrual		Updated Annual Accrual		Difference	
			Total D	North Dakota E=C*D	Total F	North Dakota G=C*F	Total H=F-D	North Dakota I=G-E
STEAM PRODUCTION								
Big Stone								
311.00 Structures and Improvements	\$ 79,607,321	0.35866539	\$ 2,276,769	\$ 816,598	\$ 2,213,084	\$ 793,757	\$ (63,685)	\$ (22,841)
312.00 Boiler Plant Equipment	199,342,937	0.35866539	6,299,237	2,259,318	6,578,317	2,359,415	279,080	100,097
312.10 Boiler Plant Equipment - Landfill								
314.00 Turbogenerator Units	30,176,939	0.35866539	497,919	178,586	497,919	178,586		
315.00 Accessory Electric Equipment	20,858,135	0.35866539	540,226	193,760	523,539	187,775	(16,687)	(5,985)
316.00 Miscellaneous Power Plant Equipment	3,206,031	0.35866539	66,044	23,688	75,662	27,137	9,618	3,449
Total Big Stone	\$ 333,191,363		\$ 9,680,195	\$ 3,471,950	\$ 9,888,521	\$ 3,546,670	\$ 208,326	\$ 74,720
Hoot Lake Units 2 and 3								
311.00 Structures and Improvements	\$ 6,093,767	0.35866539	\$ 232,782	\$ 83,491	\$ 267,516	\$ 95,949	\$ 34,734	\$ 12,458
312.00 Boiler Plant Equipment	37,830,819	0.35866539	3,582,579	1,284,947	3,998,718	1,434,202	416,139	149,255
312.10 Boiler Plant Equipment - Landfill	10,414,056	0.35866539	234,316	84,041	234,316	84,041		
314.00 Turbogenerator Units	11,543,445	0.35866539	645,279	231,439	726,083	260,421	80,804	28,982
315.00 Accessory Electric Equipment	2,766,673	0.35866539	138,610	49,715	156,317	56,065	17,707	6,350
316.00 Miscellaneous Power Plant Equipment	1,190,054	0.35866539	118,291	42,427	135,785	48,701	17,494	6,274
Total Hoot Lake Units 2 and 3	\$ 69,838,814		\$ 4,951,857	\$ 1,776,060	\$ 5,518,735	\$ 1,979,379	\$ 566,878	\$ 203,319
Coyote								
311.00 Structures and Improvements	\$ 34,292,524	0.35866539	\$ 548,680	\$ 196,793	\$ 552,110	\$ 198,023	\$ 3,430	\$ 1,230
312.00 Boiler Plant Equipment	103,157,253	0.35866539	2,207,565	791,777	2,228,197	799,177	20,632	7,400
312.10 Boiler Plant Equipment - Landfill		0.35866539						
314.00 Turbogenerator Units	24,092,118	0.35866539	570,983	204,792	575,802	206,520	4,819	1,728
315.00 Accessory Electric Equipment	11,923,290	0.35866539	205,081	73,555	207,465	74,411	2,384	856
316.00 Miscellaneous Power Plant Equipment	2,156,659	0.35866539	60,386	21,658	61,033	21,890	647	232
Total Coyote	\$ 175,621,844		\$ 3,592,695	\$ 1,288,575	\$ 3,624,607	\$ 1,300,021	\$ 31,912	\$ 11,446
HYDRAULIC PRODUCTION								
Hoot Lake								
331.00 Structures and Improvements	\$ 69,354	0.35866539	\$ 208	\$ 75	\$ 229	\$ 82	\$ 21	\$ 7
332.00 Reservoirs, Dams and Waterways	297,674	0.35866539	8,007	2,872	8,692	3,118	685	246
333.00 Water Wheels, Turbines & Generators	104,195	0.35866539	1,907	684	2,063	740	156	56
334.00 Accessory Electric Equipment	34,651	0.35866539	873	313	946	339	73	26
335.00 Miscellaneous Power Plant Equipment	48,801	0.35866539	6,974	2,501	7,569	2,715	595	214
Total Hoot Lake	\$ 554,675		\$ 17,969	\$ 6,445	\$ 19,499	\$ 6,994	\$ 1,530	\$ 549
Wright								
331.00 Structures and Improvements	\$ 19,026	0.35866539	\$ 723	\$ 259	\$ 784	\$ 281	\$ 61	\$ 22
332.00 Reservoirs, Dams and Waterways	892,711	0.35866539	114,803	41,176	124,622	44,698	9,819	3,522
333.00 Water Wheels, Turbines & Generators	545,392	0.35866539	25,961	9,311	28,197	10,113	2,236	802
334.00 Accessory Electric Equipment	202,552	0.35866539	14,057	5,042	15,252	5,470	1,195	428
335.00 Miscellaneous Power Plant Equipment	115,218	0.35866539	11,914	4,273	12,927	4,636	1,013	363
Total Wright	\$ 1,774,899		\$ 167,458	\$ 60,061	\$ 181,782	\$ 65,198	\$ 14,324	\$ 5,137

OTTER TAIL POWER COMPANY

Statement B

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Current: VG Procedure / RL Technique

Proposed: VG Procedure / RL Technique

Account Description	12/31/18 Plant Investment	North Dakota Allocation Factor	Current Annual Accrual		Updated Annual Accrual		Difference	
			Total	North Dakota	Total	North Dakota	Total	North Dakota
			D	E=C*D	F	G=C*F	H=F-D	I=G-E
Pisgah								
331.00 Structures and Improvements	\$ 12,118	0.35866539	\$ 367	\$ 132	\$ 399	\$ 143	\$ 32	\$ 11
332.00 Reservoirs, Dams and Waterways	376,297	0.35866539	36,952	13,253	40,113	14,387	3,161	1,134
333.00 Water Wheels, Turbines & Generators	159,732	0.35866539	13,497	4,841	14,631	5,248	1,134	407
334.00 Accessory Electric Equipment	102,487	0.35866539	8,158	2,926	8,855	3,176	697	250
335.00 Miscellaneous Power Plant Equipment	62,744	0.35866539	9,418	3,378	10,221	3,666	803	288
Total Pisgah	\$ 713,378		\$ 68,392	\$ 24,530	\$ 74,219	\$ 26,620	\$ 5,827	\$ 2,090
Dayton Hollow								
331.00 Structures and Improvements	\$ 16,269	0.35866539	\$ 2,161	\$ 775	\$ 2,343	\$ 840	\$ 182	\$ 65
332.00 Reservoirs, Dams and Waterways	1,291,391	0.35866539	167,623	60,121	181,828	65,215	14,205	5,094
333.00 Water Wheels, Turbines & Generators	226,751	0.35866539	18,866	6,767	20,476	7,344	1,610	577
334.00 Accessory Electric Equipment	193,342	0.35866539	11,214	4,022	12,161	4,362	947	340
335.00 Miscellaneous Power Plant Equipment	111,159	0.35866539	15,373	5,514	16,685	5,984	1,312	470
Total Dayton Hollow	\$ 1,838,912		\$ 215,237	\$ 77,199	\$ 233,493	\$ 83,745	\$ 18,256	\$ 6,546
Taplin Gorge								
331.00 Structures and Improvements	\$ 35,140	0.35866539	\$ 404	\$ 145	\$ 439	\$ 157	\$ 35	\$ 12
332.00 Reservoirs, Dams and Waterways	602,762	0.35866539	47,498	17,036	51,536	18,484	4,038	1,448
333.00 Water Wheels, Turbines & Generators	15,110	0.35866539	151	54	163	58	12	4
334.00 Accessory Electric Equipment	58,695	0.35866539	2,976	1,067	3,228	1,158	252	91
335.00 Miscellaneous Power Plant Equipment	96,303	0.35866539	10,545	3,782	11,210	4,021	665	239
Total Taplin Gorge	\$ 808,010		\$ 61,574	\$ 22,084	\$ 66,576	\$ 23,878	\$ 5,002	\$ 1,794
Bemidji								
331.00 Structures and Improvements	\$ 199,805	0.35866539	\$ 19,841	\$ 7,116	\$ 21,519	\$ 7,718	\$ 1,678	\$ 602
332.00 Reservoirs, Dams and Waterways	816,220	0.35866539	86,356	30,973	93,702	33,608	7,346	2,635
333.00 Water Wheels, Turbines & Generators	322,687	0.35866539	23,717	8,506	25,750	9,236	2,033	730
334.00 Accessory Electric Equipment	5,376	0.35866539	394	141	427	153	33	12
335.00 Miscellaneous Power Plant Equipment	1,070	0.35866539	131	47	143	51	12	4
Total Bemidji	\$ 1,345,158		\$ 130,439	\$ 46,783	\$ 141,541	\$ 50,766	\$ 11,102	\$ 3,983
OTHER PRODUCTION								
Jamestown								
341.00 Structures and Improvements	\$ 311,512	0.35866539	\$ 6,007	\$ 2,155	\$ 6,501	\$ 2,331	\$ 494	\$ 176
342.00 Fuel Holders and Accessories	415,964	0.35866539	11,990	4,300	12,072	4,330	82	30
343.00 Prime Movers	6,952,527	0.35866539	117,838	42,265	119,228	42,763	1,390	498
344.00 Generators		0.35866539						
345.00 Accessory Electric Equipment	227,590	0.35866539	5,858	2,101	5,903	2,117	45	16
346.00 Miscellaneous Power Plant Equipment	88,665	0.35866539	3,139	1,126	3,165	1,135	26	9
Total Jamestown	\$ 7,996,258		\$ 144,832	\$ 51,947	\$ 146,869	\$ 52,676	\$ 2,037	\$ 729

OTTER TAIL POWER COMPANY

Statement B

Comparison of Current and Updated Accruals

Current: VG Procedure / RL Technique

Proposed: VG Procedure / RL Technique

Account Description	12/31/18 Plant Investment	North Dakota Allocation Factor	Current Annual Accrual		Updated Annual Accrual		Difference	
			Total	North Dakota	Total	North Dakota	Total	North Dakota
A	B	C	D	E=C*D	F	G=C*F	H=F-D	I=G-E
Jamestown Unit 1								
341.00 Structures and Improvements	\$ 286,659	0.35866539	\$ 5,246	\$ 1,882	\$ 5,733	\$ 2,056	\$ 487	\$ 174
342.00 Fuel Holders and Accessories	379,195	0.35866539	11,490	4,121	11,565	4,148	75	27
343.00 Prime Movers	3,030,866	0.35866539	59,405	21,307	60,011	21,524	606	217
344.00 Generators								
345.00 Accessory Electric Equipment	155,272	0.35866539	2,748	986	2,779	997	31	11
346.00 Miscellaneous Power Plant Equipment	85,462	0.35866539	3,145	1,128	3,171	1,137	26	9
Total Jamestown Unit 1	\$ 3,937,454		\$ 82,034	\$ 29,424	\$ 83,259	\$ 29,862	\$ 1,225	\$ 438
Jamestown Unit 2								
341.00 Structures and Improvements	\$ 24,853	0.35866539	\$ 761	\$ 273	\$ 768	\$ 275	\$ 7	\$ 2
342.00 Fuel Holders and Accessories	36,769	0.35866539	500	179	507	182	7	3
343.00 Prime Movers	3,921,661	0.35866539	58,433	20,958	59,217	21,239	784	281
344.00 Generators								
345.00 Accessory Electric Equipment	72,318	0.35866539	3,110	1,115	3,124	1,120	14	5
346.00 Miscellaneous Power Plant Equipment	3,203	0.35866539	(6)	(2)	(6)	(2)		
Total Jamestown Unit 2	\$ 4,058,804		\$ 62,798	\$ 22,523	\$ 63,610	\$ 22,814	\$ 812	\$ 291
Lake Preston								
341.00 Structures and Improvements	\$ 233,982	0.35866539	\$ 3,603	\$ 1,292	\$ 3,791	\$ 1,360	\$ 188	\$ 68
342.00 Fuel Holders and Accessories	328,705	0.35866539	5,687	2,040	5,752	2,063	65	23
343.00 Prime Movers	3,282,642	0.35866539	50,881	18,249	51,537	18,485	656	236
344.00 Generators								
345.00 Accessory Electric Equipment	400,094	0.35866539	6,482	2,325	6,562	2,354	80	29
346.00 Miscellaneous Power Plant Equipment	21,607	0.35866539	210	75	212	76	2	1
Total Lake Preston	\$ 4,267,030		\$ 66,863	\$ 23,981	\$ 67,854	\$ 24,338	\$ 991	\$ 357
Ashtabula Wind Generation								
341.00 Structures and Improvements	\$ 3,248,290	0.36020026	\$ 144,224	\$ 51,950	\$ 144,224	\$ 51,950	\$ -	\$ -
342.00 Fuel Holders and Accessories								
343.00 Prime Movers								
344.00 Generators	106,694,618	0.36020026	4,865,275	1,752,473	4,875,944	1,756,316	10,669	3,843
345.00 Accessory Electric Equipment	6,479,774	0.36020026	291,590	105,031	292,238	105,264	648	233
346.00 Miscellaneous Power Plant Equipment	28,417	0.36020026	1,500	540	1,503	541	3	1
Total Ashtabula Wind Generation	\$ 116,451,099		\$ 5,302,589	\$ 1,909,994	\$ 5,313,909	\$ 1,914,071	\$ 11,320	\$ 4,077
Langdon Wind Generation								
341.00 Structures and Improvements	\$ 2,484,069	0.36020026	\$ 112,032	\$ 40,354	\$ 112,528	\$ 40,533	\$ 496	\$ 179
342.00 Fuel Holders and Accessories								
343.00 Prime Movers								
344.00 Generators	69,305,149	0.36020026	3,208,828	1,155,821	3,229,620	1,163,310	20,792	7,489
345.00 Accessory Electric Equipment	7,407,275	0.36020026	339,994	122,466	341,475	122,999	1,481	533
346.00 Miscellaneous Power Plant Equipment	65,210	0.36020026	3,626	1,306	3,639	1,311	13	5
Total Langdon Wind Generation	\$ 79,261,703		\$ 3,664,480	\$ 1,319,947	\$ 3,687,262	\$ 1,328,153	\$ 22,782	\$ 8,206

OTTER TAIL POWER COMPANY

Statement B

Comparison of Current and Updated Accruals

Current: VG Procedure / RL Technique

Proposed: VG Procedure / RL Technique

Account Description A	12/31/18 Plant Investment B	North Dakota Allocation Factor C	Current Annual Accrual		Updated Annual Accrual		Difference		
			Total D	North Dakota E=C*D	Total F	North Dakota G=C*F	Total H=F-D	North Dakota I=G-E	
<u>Luverne Wind Generation</u>									
341.00 Structures and Improvements	\$ 2,266,581	0.36020026	\$ 102,449	\$ 36,902	\$ 102,903	\$ 37,066	\$ 454	\$ 164	
342.00 Fuel Holders and Accessories									
343.00 Prime Movers									
344.00 Generators	65,851,139	0.36020026	3,042,323	1,095,846	3,062,078	1,102,961	19,755	7,115	
345.00 Accessory Electric Equipment	4,863,837	0.36020026	219,845	79,188	220,818	79,539	973	351	
346.00 Miscellaneous Power Plant Equipment	74,045	0.36020026	3,924	1,413	3,939	1,419	15	6	
Total Luverne Wind Generation	\$ 73,055,602		\$ 3,368,541	\$ 1,213,349	\$ 3,389,738	\$ 1,220,985	\$ 21,197	\$ 7,636	
<u>Solway Combustion Turbine</u>									
341.00 Structures and Improvements	\$ 4,791,410	0.35866539	\$ 145,180	\$ 52,071	\$ 154,763	\$ 55,508	\$ 9,583	\$ 3,437	
342.00 Fuel Holders and Accessories	1,003,596	0.35866539	30,008	10,763	30,008	10,763			
343.00 Prime Movers	22,529,502	0.35866539	696,162	249,689	718,691	257,770	22,529	8,081	
344.00 Generators									
345.00 Accessory Electric Equipment	1,310,193	0.35866539	41,926	15,037	41,926	15,037			
346.00 Miscellaneous Power Plant Equipment	350,326	0.35866539	11,351	4,071	11,351	4,071			
Total Solway Combustion Turbine	\$ 29,985,027		\$ 924,627	\$ 331,631	\$ 956,739	\$ 343,149	\$ 32,112	\$ 11,518	
<u>Fergus Falls Control Center</u>									
341.00 Structures and Improvements	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
342.00 Fuel Holders and Accessories									
343.00 Prime Movers	591,638	0.35866539	20,530	7,363	20,826	7,470	296	107	
344.00 Generators									
345.00 Accessory Electric Equipment									
346.00 Miscellaneous Power Plant Equipment									
Total Fergus Falls Control Center	\$ 591,638		\$ 20,530	\$ 7,363	\$ 20,826	\$ 7,470	\$ 296	\$ 107	

Minnesota Public Utilities
Commission Order
Dated October 1, 2020

Docket No. E017/D-19-547

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Katie J. Sieben
Valerie Means
Matthew Schuerger
Joseph K. Sullivan
John A. Tuma

Chair
Commissioner
Commissioner
Commissioner
Commissioner

In the Matter of Otter Tail Power Company's
Petition for Approval of its 2019 Annual
Review of Depreciation Certification

ISSUE DATE: October 1, 2020

DOCKET NO. E-017/D-19-547

ORDER SETTING REMAINING LIFE
VALUES, DEPRECIATION
PARAMETERS, AND ADDITIONAL
FILING REQUIREMENTS

PROCEDURAL HISTORY

On August 30, 2019, Otter Tail Power Company (Otter Tail or the Company) filed its 2019 Annual Review of Depreciation Certification.

On November 7, 2019, the Department of Commerce, Division of Energy Resources (the Department) filed comments recommending approval of Otter Tail's request with modifications.

On December 2, 2019, Otter Tail filed reply comments disagreeing with certain recommended modifications.

On December 26, 2019, the Department filed response comments.

On January 14, 2020, Otter Tail filed its reply to the Department's response comments.

On February 28, 2020, the Department filed additional response comments.

On April 24, 2020, Otter Tail filed comments summarizing its position.

On July 30, 2020, the Commission met to consider the matter.

FINDINGS AND CONCLUSIONS

I. Introduction and Background

"Depreciation" is the loss of an asset's service value due to consumption or prospective retirement, not including losses that can be restored through routine maintenance or covered by

insurance.¹ Assets may depreciate due to wear and tear, decay, weather damage, inadequacy, obsolescence, changes in technology, changes in demand, and the requirements of public authorities.²

Depreciation accounting aims to distribute the cost or other basic value of tangible capital assets over the estimated useful life of the asset.³ The cost of an asset includes the cost of retiring and decommissioning the asset,⁴ which is offset by the anticipated salvage value of the asset.⁵ Unless another method is specifically justified, and certified by the Commission, an asset's costs are to be spread over the probable life of the asset using straight-line depreciation;⁶ an asset's "probable service life" ends when it "will probably be retired from service."⁷

Minn. Stat. § 216B.11 and Minn. R. 7825.0500–.0900 require utilities to seek Commission approval of their depreciation practices and rates, including filing a depreciation study at least once every five years. When a utility uses the remaining-life technique to depreciate group property, it must file annual depreciation-study updates to reflect the passage of time and the impact of plant activity, such as additions and retirements, on remaining lives.

With the exception of certain General Plant accounts for which Otter Tail uses amortization accounting, the Company uses the remaining-life accounting method, and must file annual depreciation study updates. During each annual update, the Company proposes remaining lives and salvage percentages for use in the following year's calculations. This results in a systematic, consecutive one-year lag, which yields uniform depreciation expense recognition when applied consistently over time.

II. Otter Tail's Petition

In its petition, Otter Tail proposed to adjust depreciation rates to reflect one year's passage of time, resulting in an increase of \$928,236 or 1.65% to annual depreciation expense. Otter Tail requested an effective date of January 1, 2020. The Company did not propose any changes to the depreciation parameters.

Otter Tail proposed a number of changes to the lives and salvage rates of property accounts based on the Company's plant and reserve balances as of December 31, 2018. As the Department explained,

¹ Minn. R. 7825.0500, subp. 6.

² *Id.*

³ *Id.*, at subp. 7.

⁴ The cost of removal includes "the cost of demolishing, dismantling, removing, tearing down, or abandoning of physical assets, including the cost of transportation and handling incidental thereto." *Id.*, at subp. 4.

⁵ "'Salvage' means the amount received for assets retired, less any expenses incurred in connection with the sale or in preparing the assets for sale; or if retained, the amount at which the materials recoverable is chargeable to materials and supplies, or other appropriate accounts." *Id.*, at subp. 12.

⁶ Minn. R. 7825.0800.

⁷ Minn. R. 7825.0500, subp. 10.

Based on the Company's proposed changes, the updated composite depreciation accrual rate would be 2.93 percent. . . or a 0.05 percentage point increase to the composite depreciation accrual rate. The net effect of the proposed changes would be an increase in annual depreciation expense of \$928,236 (Total Company). . . . The corresponding increase in annual depreciation would be \$508,283 for the Minnesota Jurisdiction. [Otter Tail] explained that "[t]he increase [in annual depreciation expense] of \$928,236 [Total Company] is largely attributable to changes in the mix of plant investments among primary accounts and changes in the age of distributions of surviving plant."⁸

Otter Tail noted that the Hoot Lake Plant would be the next plant to retire. At the Commission meeting, Otter Tail stated that it was moving forward with a solar project at the Hoot Lake site and would likely reuse the existing Hoot Lake Plant facility in some way.

Otter Tail also explained that it had begun construction on the Merricourt Wind Energy Center (MWEC) and expected it to enter service sometime in the fourth quarter of 2020. Otter Tail prospectively requested an initial Remaining Life of 25 years for MWEC, the same initial life as the Company's existing wind farms. Otter Tail also requested a net negative salvage percentage of -4.00% for MWEC, the same as the Company's Langdon Wind Energy Center.

III. Undisputed Issues

After several rounds of comments, Otter Tail and the Department agreed on the following issues:

- Approve Otter Tail's proposed remaining-life parameters for the plant not otherwise identified and modified elsewhere by the Commission.
- Approve all of Otter Tail's proposed salvage rates for its plant.
- Approve Otter Tail's prospectively requested remaining life and net salvage parameters for the Merricourt Wind Energy Center.
- Approve Otter Tail's proposed effective date of January 1, 2020.
- Require Otter Tail to file its next depreciation study by September 1, 2020.
- Require Otter Tail to report, in a compliance filing in this docket, the Company's calculated depreciation rates that it will actually apply in 2020 by the latter of January 31, 2020, or within 30 days after receiving the Commission Order approving the 2020 depreciation parameters.
- Require Otter Tail to file annually in future depreciation dockets the Company's calculated depreciation rates that it will apply in the subject calendar period, by the latter of January 31 of the subject year, or within 30 days after receiving the Commission Order approving depreciation parameters.
- Require Otter Tail to include in future depreciation filings a table comparing asset lives used for the purpose of the Company's resource planning with the remaining lives proposed in the depreciation filings, explaining any differences.

⁸ Department comments, at 1 (November 17, 2019); *see* Otter Tail petition, attachment 1, at 4 (August 30, 2019).

The Commission accepts the agreements of the parties on these issues as reasonable and consistent with the facts presented in this matter.

IV. Disputed Issues

There is one remaining issue – whether the proposed remaining lives of Hoot Lake Production Plant Units 2 and 3 and the Hydraulic Production Plant (collectively, the Hoot Lake Plant) should be reduced by one additional year to better match depreciation accruals to forecasted plant retirement dates.

In its comments, the Department stated that Otter Tail’s proposed remaining life values for the Hoot Lake Plant did not match the anticipated retirement dates. The Department noted that the plant is forecasted to retire on Otter Tail’s books as of June 2021, but that if the Company’s proposed Remaining Lives were used, the plant would not be fully depreciated until June 2022. The Department believed that this discrepancy was the result of minor issues with Otter Tail’s prior depreciation filings, which had accumulated over the lifetime of the plant. The Department suggested that at various times, the Company had reduced the remaining life values by only part of a year when it should have reduced them by a full year. Consequently, the Department recommended that the remaining life values be reduced by one additional year for the Hoot Lake Plant.

Otter Tail disagreed with the Department’s recommendation, arguing that the Company’s treatment of the depreciation of the Hoot Lake Plant was consistent with its most recent rate case, and that because of the very short amount of time before retirement of the Hoot Lake Plant, reducing its remaining life by one year would dramatically increase its annual depreciation expense. The Company argued that it would not have an opportunity to recover that increased expense because it had no rate case pending and would be unable to account for the expense in a future test year, and that any changes to the accounting for the Hoot Lake Plant should be done in the context of its next rate case.

Otter Tail also argued that, although the projected retirement date of the Hoot Lake Plant is June 30, 2021, “retirement of a major generation facility. . . is not an operational bright line.”⁹ The Company explained that decommissioning efforts would extend well beyond that date, and that certain portions of the facility would likely be reused as part of its planned solar project on the same site. Additionally, Otter Tail noted that the hydraulic plant would likely be relicensed, extending its projected retirement date. Because of this, Otter Tail argued that it was appropriate for the remaining life of the Hoot Lake Plant to extend beyond the projected retirement date. Otter Tail argued that it would be most efficient to allow the decommissioning process and solar project to proceed, and to resolve any remaining discrepancies during the Company’s next rate case, with the benefit of a thoroughly developed record.

Otter Tail also noted that, although it had made minor adjustments to the plant’s remaining lives at various times, the Commission had approved its many depreciation studies and annual updates throughout the life of the Hoot Lake Plant, and that there was no basis to now conclude that those adjustments were inappropriate.

⁹ Otter Tail reply to response comments, at 2 (January 14, 2020).

Otter Tail suggested that if the Commission were to conclude that remaining lives should be reduced, it could authorize the unrecovered depreciation expense to be treated as a regulatory asset¹⁰ in Otter Tail's next general rate case. The Company argued that the Department had not disputed the total amount of depreciation expense that Otter Tail should be able to recover, only the timing of the recovery. Otter Tail argued that if the Commission authorized a regulatory asset, the timing could be changed while still allowing the Company to recover the entire depreciation expense.

The Department disagreed with Otter Tail's proposal to treat the unrecovered depreciation expense as a regulatory asset. The Department argued that this would be single-issue ratemaking, and that other operating fluctuations should also be taken into account. Additionally, the Department noted that when base rates were set, there was no expectation of a true-up between rate cases; because base rates are static, Otter Tail's accrued depreciation balance is not necessarily the same as what the Company has actually recovered in its rates.

V. Commission Action

Having thoroughly reviewed the record, the Commission concurs with the Department that the remaining life values for the Hoot Lake Plant should be reduced by one additional year to better align with the current anticipated retirement dates for those facilities. Although certain portions of the facilities may be reused or relicensed, it is unclear at this time whether and to what extent that will occur. The purpose of depreciation accounting is to distribute the value of capital assets over the estimated useful life of the asset; until the estimated useful life is extended, the depreciation calculations should generally reflect the currently available information and anticipated retirement dates.

However, the Commission will permit Otter Tail to treat any unrecovered depreciation expense balance for the Hoot Lake Plant as a regulatory asset for the purpose of seeking possible recovery in the Company's next general rate case. Although the Commission agrees with the Department that the remaining lives should be reduced, there is no dispute over the total amount of the depreciation expense, and the Commission does not want to foreclose the possibility of the Company recovering the entire depreciation expense amount.

Otter Tail's plans for the retirement and possible reuse and relicensing of the Hoot Lake Plant are necessarily complicated and involve overlapping and not-yet-developed timelines. In the Company's next rate case, the Commission will have the opportunity to consider whether recovery is appropriate, with the benefit of a fully-developed record on this issue. The Commission is not making a judgment at this time as to whether recovery will be appropriate, it is simply allowing the Company to raise the issue during its next rate case.

¹⁰ A regulatory asset is a specific cost that a regulatory agency permits a utility to defer to its balance sheet, rather than being reported as an expenditure in a particular year. In effect, these costs are capitalized and then depreciated over time.

ORDER

1. The remaining life values must be reduced by one year, from 2.49 to 1.49, for all plant accounts relevant to the Hoot Lake Steam Production Plant Units 2 and 3, with the exception of Account 312.1-102 (i.e., the Hoot Lake Units 2 & 3 Landfill).
2. The remaining life values must be reduced by one year, from 2.49 to 1.49, for all plant accounts relevant to the Hydraulic Production Plant.
3. Otter Tail may treat any unrecovered depreciation expense balance for the Hoot Lake Plant as a regulatory asset for the purpose of seeking possible recovery in the Company's next general rate case.
4. The Commission approves Otter Tail's proposed remaining-life parameters for the plant not otherwise identified and modified elsewhere by the Commission.
5. The Commission approves all of Otter Tail's proposed salvage rates for its plant.
6. The Commission approves Otter Tail's prospectively requested remaining life and net salvage parameters for the Merricourt Wind Energy Center.
7. The Commission approves Otter Tail's proposed effective date of January 1, 2020.
8. By January 31, 2020, Otter Tail must file, in a compliance filing in this docket, the Company's calculated depreciation rates that it will actually apply in 2020.
9. Annually, by January 31 of the subject year, or within 30 days after issuance of the Commission order approving depreciation parameters, whichever is later, Otter Tail must file the Company's calculated depreciation rates that it will apply in the subject calendar period.
10. Otter Tail must include in future depreciation filings a table comparing asset lives used for the purpose of the Company's resource planning with the remaining lives proposed in the depreciation filings, explaining any differences.
11. Otter Tail must file its next annual depreciation study by September 1, 2020.
12. This order shall become effective immediately.

BY ORDER OF THE COMMISSION



Will Seuffert
Executive Secretary



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

CERTIFICATE OF SERVICE

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

Minnesota Public Utilities Commission
ORDER SETTING REMAINING LIFE VALUES, DEPRECIATION
PARAMETERS, AND ADDITIONAL FILING REQUIREMENTS

Docket Number

E-017/D-19-547

Dated this **1st** day of **October 2020**

/s/ Nancy Jia

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Christopher	Anderson	canderson@allete.com	Minnesota Power	30 W Superior St Duluth, MN 558022191	Electronic Service	No	OFF_SL_19-547_D-19-547
Ray	Choquette	rchoquette@agp.com	Ag Processing Inc.	12700 West Dodge Road PO Box 2047 Omaha, NE 68103-2047	Electronic Service	No	OFF_SL_19-547_D-19-547
Generic Notice	Commerce Attorneys	commerce.attorneys@ag.state.mn.us	Office of the Attorney General-DOC	445 Minnesota Street Suite 1400 St. Paul, MN 55101	Electronic Service	Yes	OFF_SL_19-547_D-19-547
Loyal	Demmer	ldemmer@otpc.com	Otter Tail Power Co.	215 South Cascade Street PO Box 496 Fergus Falls, MN 565380496	Electronic Service	No	OFF_SL_19-547_D-19-547
James C.	Erickson	jericksonkbc@gmail.com	Kelly Bay Consulting	17 Quechee St Superior, WI 54880-4421	Electronic Service	No	OFF_SL_19-547_D-19-547
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 280 Saint Paul, MN 551012198	Electronic Service	No	OFF_SL_19-547_D-19-547
Shane	Henriksen	shane.henriksen@enbridge.com	Enbridge Energy Company, Inc.	1409 Hammond Ave FL 2 Superior, WI 54880	Electronic Service	No	OFF_SL_19-547_D-19-547
Douglas	Larson	dlarson@dakotaelectric.com	Dakota Electric Association	4300 220th St W Farmington, MN 55024	Electronic Service	No	OFF_SL_19-547_D-19-547
James D.	Larson	james.larson@avantenergy.com	Avant Energy Services	220 S 6th St Ste 1300 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_19-547_D-19-547
Kavita	Maini	kmairi@wi.rr.com	KM Energy Consulting, LLC	961 N Lost Woods Rd Oconomowoc, WI 53066	Electronic Service	No	OFF_SL_19-547_D-19-547

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Andrew	Moratzka	andrew.moratzka@stoel.com	Stoel Rives LLP	33 South Sixth St Ste 4200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_19-547_D-19-547
Generic Notice	Residential Utilities Division	residential.utilities@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012131	Electronic Service	Yes	OFF_SL_19-547_D-19-547
Larry L.	Schedin	Larry@LLSResources.com	LLS Resources, LLC	332 Minnesota St, Ste W1390 St. Paul, MN 55101	Electronic Service	No	OFF_SL_19-547_D-19-547
Will	Seuffert	Will.Seuffert@state.mn.us	Public Utilities Commission	121 7th PI E Ste 350 Saint Paul, MN 55101	Electronic Service	Yes	OFF_SL_19-547_D-19-547
Cary	Stephenson	cStephenson@otpc.com	Otter Tail Power Company	215 South Cascade Street Fergus Falls, MN 56537	Electronic Service	No	OFF_SL_19-547_D-19-547
Stuart	Tommerdahl	stommerdahl@otpc.com	Otter Tail Power Company	215 S Cascade St PO Box 496 Fergus Falls, MN 56537	Electronic Service	No	OFF_SL_19-547_D-19-547

Otter Tail Power Company's
2019 Minnesota Annual Review of
Depreciation Certification Filing

Minnesota Docket No. E017/D-19-547

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

August 30, 2019



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

**RE: In the Matter of Otter Tail Power Company's Petition for Approval of its
2019 Annual Review of Depreciation Certification
Docket No. E017/D-19-**

Dear Mr. Wolf:

Otter Tail Power Company (Otter Tail) hereby submits its 2019 Annual Review of Depreciation Certification.

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

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

Sincerely,

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

mmo
Enclosures
By electronic filing
c: Service List

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

In the Matter of Otter Tail Power
Company's Petition for Approval of its
2019 Annual Review of Depreciation
Certification

Docket No. E017/D-19-

SUMMARY OF FILING

Please take notice that on August 30, 2019, Otter Tail Power Company filed its 2019 Annual Review of Depreciation Certification with the Minnesota Public Utilities Commission. The study is being filed under Minn. R. 7825.0700.

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

In the Matter of Otter Tail Power
Company's Petition for Approval of its 2019
Annual Review of Depreciation
Certification

Docket No. E017/D-19-

PETITION OF OTTER TAIL POWER COMPANY

I. INTRODUCTION

Pursuant to Minn. R. 7825.0700, Otter Tail Power Company (Otter Tail or the Company) hereby files its 2019 Annual Petition for Depreciation Certification. Otter Tail requests that the study be certified effective January 1, 2020.

II. GENERAL FILING INFORMATION

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

A. Name, Address, and Telephone Number of Utility

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

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

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

C. Date of Filing and Date Proposed Remaining Lives and Salvage Percentages to Take Effect

The filing date is August 30, 2019 and is based on plant-in-service and accumulated reserves balances as of December 31st, 2018. Otter Tail requests those proposed remaining lives and salvage percentages be approved beginning January 1, 2020 for 2020 depreciation calculation purposes.

D. Controlling Law for the Filing

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

E. Title of Utility Employee Responsible for Filing

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

III. DESCRIPTION OF FILING

This filing constitutes Otter Tail’s 2019 Annual Petition for Depreciation Certification. Otter Tail’s last five-year comprehensive depreciation study was filed in 2018 and approved by the Minnesota Public Utilities Commission (Commission) on July 17, 2019, in Docket No. E017/D-18-568. Otter Tail’s next five-year comprehensive depreciation study is due September 1, 2023. Annual depreciation certification filings are to be filed on or before September 1 of each year in the four interim years between the five-year comprehensive depreciation studies.

This petition contains four attachments:

1. 2019 Depreciation Rate Study prepared by Foster Associates Consultants, LLC, Attachment No. 1;
2. Proposed Remaining Lives and Salvage Percentages for Use in 2020, Attachment No. 2;

3. Supplemental Comments, Attachment No. 3;
4. Comparison of Retirement Dates between this filing and the Company's most recent Commission approved Resource Plan that was filed in Docket No. E017/RP-16-386, Attachment No. 4

Attachment No. 1 contains Statement B, which is a Comparison of Current and Proposed Accruals showing depreciation expense for both total Company and the portion allocated to the Minnesota jurisdiction based on plant in-service balances as of December 31, 2018. Other statements in Attachment No. 1 provide the rest of the schedules required in an annual review of depreciation.

Attachment No. 2 lists the property accounts for which the Company requests certification of the remaining lives and salvage percentages to be used in determining 2020 depreciation rates.

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

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

IV. OTHER DEPRECIATION FILING MATTERS

A. Peaking Capacity Cost Information

The Commission's Order Accepting Resource Plan Change, (Docket No. E017/RP-05-968) dated March 26, 2009, requires that: "In its first depreciation filing that includes new peaking generators, Otter Tail shall compare the last rate case's short-term peaking capacity costs to the peaking capacity costs of the new generators." This filing does not include any new peaking generators so there is no cost information to report with this filing. Otter Tail anticipates having a new peaking generator after the Astoria Station becomes available for commercial operation in 2021.

B. Remaining Lives and Salvage Percentages

Otter Tail derives its Remaining Lives and Salvage Percentages based on 5-year Depreciation Rate Studies and subsequently updates them annually in Technical Updates during each of the interim four years. These calculations are as of the Depreciation Study or annual Technical Update date (12/31 of the prior calendar year) and are proposed for use in the year following that year's depreciation certification filing for use in depreciation expense calculation and accumulated reserve recording purposes. This results in a systematic and consecutive one-year lag, which when applied consistently over time yields uniform depreciation expense recognition in a rate regulated environment.

1. Hoot Lake Plant

Hoot Lake Plant, Otter Tail's next Average Year of Final Retirement (AYFR) plant to retire (and the first since the retirement of the Ortonville steam plants in the late 1980's), is forecast to retire on Otter Tail's books as of June 2022. At that point the plant will be fully depreciated including the forecasted 15.6% of net negative salvage amount necessary to cover the Cost of Removal for the disposition of the plant which is also targeted to be completed in roughly that same time frame.

2. Merricourt Wind Energy Center

On August 8th, 2019 construction began on Otter Tails Merricourt Wind Energy Center (MWEC). The Company expects the 150-megawatt (MW) facility to go into commercial service after its 15-month estimated construction period, sometime in Q4 2020. Since this current depreciation certification is requesting remaining lives and salvage percentages for use in calculating depreciation rates for calendar year 2020, Otter is prospectively requesting Commission approval of an initial Remaining Life of 25-years (same as Otter Tails existing wind farms), and a net negative salvage percentage of -4.00% (same as Otter Tails Langdon Wind Energy Center) for MWEC. Otter Tail evaluated the current decommission study-based salvage percentages from its existing three wind farms and

determined that Langdon's net negative salvage percentage of -4.00% was the most representative of what it expects the MWEC to be once it is constructed. The Ashtabula Wind Energy Center sustained more capital costs due to its long generator tie line resulting in the lower net negative salvage percentage of -3.5%, while the Luverne Wind Energy Center reflected decreased capital costs due to the federal treasury grant received in lieu of Production Tax Credits, resulting in a higher net negative salvage percentage of -5.9%.

V. MISCELLANEOUS INFORMATION

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

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

and

Cary Stephenson
Associate General Counsel
Otter Tail Power Company
215 South Cascade Street
Post Office Box 496
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B. Service on Other Parties

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

C. Summary of Filing

A one-paragraph summary of the Petition is attached.

VI. CONCLUSION

Otter Tail respectfully requests that the Commission approve this annual petition for depreciation certification, to be effective January 1, 2020.

Dated: August 30, 2019

Respectfully submitted,

OTTER TAIL POWER COMPANY

/s/ LOYAL K. DEMMER

Loyal K. Demmer, CMA
Senior Depreciation Accountant
Otter Tail Power Company
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2019 Technical Update



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August 2019

EXECUTIVE SUMMARY

INTRODUCTION

This report presents the findings and recommendations developed in a 2019 technical update of depreciation rates for Otter Tail Power Company prepared by Foster Associates Consultants, LLC. The parameters (*i.e.*, projection curves, projection lives and future net salvage rates) used in the update were developed in the Company's 2018 Depreciation Study based on December 31, 2017 plant and reserve balances. Age distributions of surviving plant on December 31, 2018 were used in the 2019 update to derive composite service life statistics and theoretical depreciation reserves.

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

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

SCOPE OF UPDATE

The principal activities undertaken in the course of conducting the 2019 technical update included:

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

Accrual rates currently used by the Company were developed from parameters approved in Docket No. E-017/D-18-568 (Order Dated July 17, 2019). Depreciation accruals and reserve activity recorded in 2018 were posted to December 31, 2018 reserves to obtain appropriate reserve ratios for the 2019

technical update.

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

UPDATED DEPRECIATION RATES

Table 1 provides a summary of the changes in annual rates and accruals resulting from the 2019 technical update. Rates updated for each primary account (with the exception of amortization accounts) have been developed including authorized allowances for net salvage.

Function	Accrual Rate			2019 Annualized Accrual		
	Current	Updated	Difference	Current	Updated	Difference
A	B	C	D=C-B	E	F	G=F-E
Intangible Plant	19.90%	19.90%	0.00%	\$ 1,765,934	\$ 1,765,934	\$ -
Steam Production	3.15%	3.29%	0.14%	18,224,747	19,031,863	807,116
Hydraulic Production	9.40%	10.19%	0.79%	661,069	717,110	56,041
Other Production	4.33%	4.36%	0.03%	13,492,462	13,583,197	90,735
Transmission	1.62%	1.61%	-0.01%	7,986,460	7,960,015	(26,445)
Distribution	2.35%	2.35%	0.00%	11,785,727	11,780,141	(5,586)
General Plant	4.55%	4.56%	0.01%	2,440,542	2,446,917	6,375
Total Utility	2.88%	2.93%	0.05%	\$56,356,941	\$ 57,285,177	\$928,236

Table 1. Current and Updated Rates and Accruals

Adjustments developed in the technical update produce a composite depreciation rate of 2.93 percent. Depreciation expense is currently accrued at an equivalent rate of 2.88 percent. The updated change in the composite depreciation rate is, therefore, an increase of 0.05 percentage points.

A continued application of rates derived from currently approved parameters would produce annual depreciation expense of \$56,356,941 compared with an annual expense of \$57,285,177 using the rates developed in the update. The increase of \$928,236 is largely attributable to changes in the mix of plant investments among primary accounts and changes in the age distributions of surviving plant. (The change in accruals would be an increase of \$449,583 if Otter Tail was permitted to rebalance depreciation reserves). The portion of the \$928,236 increase allocated to the Minnesota jurisdiction is \$508,283.

STATEMENTS

INTRODUCTION

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

- Statement A provides a comparative summary of current and updated annual depreciation rates for calendar year 2019 using the straight-line method, vintage group procedure, remaining-life technique.
- Statement B provides a comparison of the current and updated annualized depreciation accruals for calendar year 2019 based upon the rates developed in Statement A.
- Statement C provides a comparison of recorded and computed reserves for each rate category.
- Statement D provides a summary of the components used to obtain a weighted average net salvage rate for each rate category.
- Statement E provides a computation of the estimated future net salvage rate for life-span categories.
- Statement F provides a comparative summary of current and updated parameters including projection life, projection curve and future net salvage rates. The statement also contains current and updated statistics including average service life, average remaining life, and average net salvage rates.

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

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

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

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

While the Agency rules do not require submission of continuity schedules in a technical update, this section includes the following statements which set forth the above information for calendar year 2018:

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

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

OTTER TAIL POWER COMPANY

Statement A

Comparison of Current and Updated Accrual Rates

Current: VG Procedure / RL Technique

Updated: VG Procedure / RL Technique

Account Description A	Current			Updated			
	Rem. Life B	Fut. Net Salvage C	Accrual Rate D	Rem. Life E	Fut. Net Salvage F	Reserve Ratio G	Accrual Rate H
INTANGIBLE PLANT							
303.91 Software - 5 Year	← 5 Year Amortization →			← 5 Year Amortization →			
303.92 Software - 10 Year							
Total Intangible Plant			19.90%	2.92		36.62%	19.90%
STEAM PRODUCTION							
311.00 Structures and Improvements	25.31	-7.2%	2.55%	24.24	-7.2%	47.79%	2.53%
312.00 Boiler Plant Equipment	20.46	-8.0%	3.55%	19.83	-7.9%	39.32%	3.76%
312.10 Boiler Plant Equipment - Landfill	32.08		2.25%	31.16		29.92%	2.25%
314.00 Turbogenerator Units	19.43	-8.7%	2.60%	18.47	-8.7%	66.74%	2.73%
315.00 Accessory Electric Equipment	23.64	-7.6%	2.49%	22.53	-7.6%	54.72%	2.50%
316.00 Miscellaneous Power Plant Equipment	16.91	-8.7%	3.73%	15.93	-8.6%	52.50%	4.16%
Total Steam Production Plant			3.15%	20.76	-7.7%	45.12%	3.29%
HYDRAULIC PRODUCTION							
331.00 Structures and Improvements	3.48		6.74%	2.49		81.80%	7.31%
332.00 Reservoirs, Dams and Waterways	3.48		10.78%	2.49		70.87%	11.70%
333.00 Water Wheels, Turbines & Generators	3.48		6.12%	2.49		83.46%	6.64%
334.00 Accessory Electric Equipment	3.48		6.31%	2.49		82.96%	6.84%
335.00 Miscellaneous Power Plant Equipment	3.48		12.49%	2.49		66.40%	13.49%
Total Hydraulic Production Plant			9.40%	2.49		74.62%	10.19%
OTHER PRODUCTION							
341.00 Structures and Improvements	16.51	-3.5%	3.85%	15.69	-3.4%	41.93%	3.93%
342.00 Fuel Holders and Accessories	17.90	-3.6%	2.73%	16.94	-3.6%	56.46%	2.74%
343.00 Prime Movers	18.52	-3.1%	2.65%	17.65	-3.0%	54.13%	2.73%
344.00 Generators	15.18	-4.3%	4.60%	14.22	-4.3%	38.64%	4.62%
345.00 Accessory Electric Equipment	15.29	-4.2%	4.38%	14.34	-4.2%	41.26%	4.39%
346.00 Miscellaneous Power Plant Equipment	17.44	-3.2%	3.78%	16.49	-3.2%	40.61%	3.79%
Total Other Production Plant			4.33%	14.57	-4.1%	40.72%	4.36%
TRANSMISSION PLANT							
353.00 Station Equipment	55.72	-5.0%	1.58%	55.33	-5.0%	18.26%	1.57%
354.00 Towers and Fixtures	70.63	-10.0%	1.46%	69.84	-10.0%	8.13%	1.46%
355.00 Poles and Fixtures	58.91	-50.0%	1.80%	59.02	-50.0%	42.90%	1.81%
356.00 Overhead Conductors and Devices	62.70	-30.0%	1.61%	61.24	-30.0%	32.34%	1.59%
358.00 Underground Conductors and Devices	14.97	-5.0%	0.68%	14.32	-5.0%	95.91%	0.63%
Total Transmission Plant			1.62%	60.95	-24.1%	25.84%	1.61%
DISTRIBUTION PLANT							
362.00 Station Equipment	34.81	5.0%	1.94%	34.63	5.0%	27.78%	1.94%
364.00 Poles, Towers and Fixtures	48.98	-100.0%	2.91%	48.80	-100.0%	57.85%	2.91%
365.00 Overhead Conductors and Devices	43.27	-75.0%	2.23%	43.13	-75.0%	78.50%	2.24%
367.00 Underground Conductors and Devices	28.66	-5.0%	2.00%	28.94	-5.0%	46.59%	2.02%
368.00 Line Transformers	30.70	30.0%	1.79%	30.71	30.0%	14.89%	1.79%
369.00 Overhead Services	31.01	-200.0%	5.87%	30.41	-200.0%	120.13%	5.91%
369.10 Underground Services	34.03	-20.0%	2.24%	33.62	-20.0%	44.74%	2.24%
370.00 Meters	19.76		3.38%	20.02		31.67%	3.41%
370.10 Load Management Switches	3.00		2.81%	2.70		94.33%	2.10%
371.20 Other Private Lighting	24.39		3.22%	24.42		17.21%	3.39%
373.00 Street Lighting and Signal Systems	15.09	-5.0%	3.52%	15.68	-5.0%	46.43%	3.74%
Total Distribution Plant			2.35%	31.13	-23.9%	43.55%	2.35%

OTTER TAIL POWER COMPANY

Statement A

Comparison of Current and Updated Accrual Rates

Current: VG Procedure / RL Technique

Updated: VG Procedure / RL Technique

Account Description A	Current			Updated			
	Rem. Life B	Fut. Net Salvage C	Accrual Rate D	Rem. Life E	Fut. Net Salvage F	Reserve Ratio G	Accrual Rate H
GENERAL PLANT							
Depreciable							
390.00 Structures and Improvements	34.19	5.0%	1.94%	33.73	5.0%	30.28%	1.92%
390.10 General Office Buildings	21.83	47.3%	0.52%	20.89	47.3%	40.93%	0.56%
390.20 Fleet Service Center Building	17.09	31.2%	0.79%	16.14	31.2%	56.57%	0.76%
390.30 Central Stores Building	26.47	79.0%	-0.78%	25.55	76.2%	38.27%	-0.57%
396.00 Power Operated Equipment	17.09	5.0%	4.04%	18.80	5.0%	19.64%	4.01%
397.40 Communication Towers	32.70	-5.0%	1.71%	32.06	-5.0%	50.69%	1.69%
Total Depreciable			1.36%	28.75	21.5%	34.70%	1.38%
Amortizable							
391.00 Office Furniture	← 15 Year Amortization →			← 15 Year Amortization →			
391.10 Office Equipment	← 10 Year Amortization →			← 10 Year Amortization →			
391.20 Duplicating Equipment	← 10 Year Amortization →			← 10 Year Amortization →			
391.50 Computer Systems	← 5 Year Amortization →			← 5 Year Amortization →			
391.60 Computer Related Equipment	← 5 Year Amortization →			← 5 Year Amortization →			
394.00 Tools, Shop and Garage Equipment	← 15 Year Amortization →			← 15 Year Amortization →			
394.20 Automated Meter Reading Equipment	← 15 Year Amortization →			← 15 Year Amortization →			
397.00 Communication Equipment	← 15 Year Amortization →			← 15 Year Amortization →			
397.10 Radio Telecommunication Equipment	← 10 Year Amortization →			← 10 Year Amortization →			
397.20 Microwave Equipment	← 15 Year Amortization →			← 15 Year Amortization →			
397.30 Radio Load Control Equipment	← 10 Year Amortization →			← 10 Year Amortization →			
Total Amortizable			10.18%	5.19		45.07%	10.18%
Total General Plant			4.55%	11.51	13.7%	38.44%	4.56%
TOTAL UTILITY			2.88%	25.42	-14.8%	39.02%	2.93%
STEAM PRODUCTION							
Big Stone							
311.00 Structures and Improvements	27.46	-5.9%	2.86%	26.53	-5.8%	32.17%	2.78%
312.00 Boiler Plant Equipment	27.47	-5.9%	3.16%	26.54	-5.8%	18.19%	3.30%
312.10 Boiler Plant Equipment - Landfill							
314.00 Turbogenerator Units	27.44	-5.9%	1.65%	26.51	-5.8%	61.99%	1.65%
315.00 Accessory Electric Equipment	27.46	-5.9%	2.59%	26.53	-5.8%	39.16%	2.51%
316.00 Miscellaneous Power Plant Equipment	27.44	-5.9%	2.06%	26.52	-5.8%	43.15%	2.36%
Total Big Stone			2.91%	26.53	-5.8%	27.05%	2.97%
Hoot Lake Units 2 and 3							
311.00 Structures and Improvements	3.48	-15.5%	3.82%	2.49	-15.6%	104.66%	4.39%
312.00 Boiler Plant Equipment	3.48	-15.5%	9.47%	2.49	-15.6%	89.28%	10.57%
312.10 Boiler Plant Equipment - Landfill	32.08		2.25%	31.16		29.92%	2.25%
314.00 Turbogenerator Units	3.48	-15.5%	5.59%	2.49	-15.6%	99.94%	6.29%
315.00 Accessory Electric Equipment	3.48	-15.5%	5.01%	2.49	-15.6%	101.52%	5.65%
316.00 Miscellaneous Power Plant Equipment	3.48	-15.5%	9.94%	2.49	-15.6%	87.20%	11.41%
Total Hoot Lake Units 2 and 3			7.09%	4.70	-13.3%	83.98%	7.90%
Coyote							
311.00 Structures and Improvements	22.75	-9.0%	1.60%	21.81	-9.0%	73.96%	1.61%
312.00 Boiler Plant Equipment	22.77	-9.0%	2.14%	21.83	-9.0%	61.83%	2.16%
312.10 Boiler Plant Equipment - Landfill							
314.00 Turbogenerator Units	22.78	-9.0%	2.37%	21.84	-9.0%	56.78%	2.39%
315.00 Accessory Electric Equipment	22.76	-9.0%	1.72%	21.82	-9.0%	71.10%	1.74%
316.00 Miscellaneous Power Plant Equipment	22.78	-9.0%	2.80%	21.84	-9.0%	47.24%	2.83%
Total Coyote			2.05%	21.83	-9.0%	63.96%	2.06%

OTTER TAIL POWER COMPANY

Statement A

Comparison of Current and Updated Accrual Rates

Current: VG Procedure / RL Technique

Updated: VG Procedure / RL Technique

Account Description A	Current			Updated			
	Rem. Life B	Fut. Net Salvage C	Accrual Rate D	Rem. Life E	Fut. Net Salvage F	Reserve Ratio G	Accrual Rate H
HYDRAULIC PRODUCTION							
<u>Hoot Lake</u>							
331.00 Structures and Improvements	3.48		0.30%	2.49		99.19%	0.33%
332.00 Reservoirs, Dams and Waterways	3.48		2.69%	2.49		92.73%	2.92%
333.00 Water Wheels, Turbines & Generators	3.48		1.83%	2.49		95.06%	1.98%
334.00 Accessory Electric Equipment	3.48		2.52%	2.49		93.20%	2.73%
335.00 Miscellaneous Power Plant Equipment	3.48		14.29%	2.49		61.39%	15.51%
Total Hoot Lake			3.24%	2.49		91.25%	3.52%
<u>Wright</u>							
331.00 Structures and Improvements	3.48		3.80%	2.49		89.74%	4.12%
332.00 Reservoirs, Dams and Waterways	3.48		12.86%	2.49		65.24%	13.96%
333.00 Water Wheels, Turbines & Generators	3.48		4.76%	2.49		87.13%	5.17%
334.00 Accessory Electric Equipment	3.48		6.94%	2.49		81.26%	7.53%
335.00 Miscellaneous Power Plant Equipment	3.48		10.34%	2.49		72.07%	11.22%
Total Wright			9.43%	2.49		74.50%	10.24%
<u>Pisgah</u>							
331.00 Structures and Improvements	3.48		3.03%	2.49		91.82%	3.29%
332.00 Reservoirs, Dams and Waterways	3.48		9.82%	2.49		73.46%	10.66%
333.00 Water Wheels, Turbines & Generators	3.48		8.45%	2.49		77.18%	9.16%
334.00 Accessory Electric Equipment	3.48		7.96%	2.49		78.49%	8.64%
335.00 Miscellaneous Power Plant Equipment	3.48		15.01%	2.49		59.45%	16.29%
Total Pisgah			9.59%	2.49		74.10%	10.40%
<u>Dayton Hollow</u>							
331.00 Structures and Improvements	3.48		13.28%	2.49		64.14%	14.40%
332.00 Reservoirs, Dams and Waterways	3.48		12.98%	2.49		64.94%	14.08%
333.00 Water Wheels, Turbines & Generators	3.48		8.32%	2.49		77.52%	9.03%
334.00 Accessory Electric Equipment	3.48		5.80%	2.49		84.34%	6.29%
335.00 Miscellaneous Power Plant Equipment	3.48		13.83%	2.49		62.63%	15.01%
Total Dayton Hollow			11.70%	2.49		68.39%	12.70%
<u>Taplin Gorge</u>							
331.00 Structures and Improvements	3.48		1.15%	2.49		96.88%	1.25%
332.00 Reservoirs, Dams and Waterways	3.48		7.88%	2.49		78.72%	8.55%
333.00 Water Wheels, Turbines & Generators	3.48		1.00%	2.49		97.30%	1.08%
334.00 Accessory Electric Equipment	3.48		5.07%	2.49		86.31%	5.50%
335.00 Miscellaneous Power Plant Equipment	3.48		10.95%	2.49		71.02%	11.64%
Total Taplin Gorge			7.62%	2.49		79.49%	8.24%
<u>Bemidji</u>							
331.00 Structures and Improvements	3.48		9.93%	2.49		73.19%	10.77%
332.00 Reservoirs, Dams and Waterways	3.48		10.58%	2.49		71.42%	11.48%
333.00 Water Wheels, Turbines & Generators	3.48		7.35%	2.49		80.14%	7.98%
334.00 Accessory Electric Equipment	3.48		7.32%	2.49		80.22%	7.94%
335.00 Miscellaneous Power Plant Equipment	3.48		12.28%	2.49		66.83%	13.32%
Total Bemidji			9.70%	2.49		73.81%	10.52%

OTTER TAIL POWER COMPANY

Statement A

Comparison of Current and Updated Accrual Rates

Current: VG Procedure / RL Technique

Updated: VG Procedure / RL Technique

Account Description A	Current			Updated			
	Rem. Life B	Fut. Net Salvage C	Accrual Rate D	Rem. Life E	Fut. Net Salvage F	Reserve Ratio G	Accrual Rate H
OTHER PRODUCTION							
<u>Jamestown</u>							
341.00 Structures and Improvements	15.18	-5.9%	1.93%	14.22	-5.9%	76.17%	2.09%
342.00 Fuel Holders and Accessories	15.19	-5.9%	2.88%	14.23	-5.9%	64.61%	2.90%
343.00 Prime Movers	15.18	-5.9%	1.69%	14.22	-5.9%	81.54%	1.71%
344.00 Generators							
345.00 Accessory Electric Equipment	15.18	-5.9%	2.57%	14.22	-5.9%	69.00%	2.59%
346.00 Miscellaneous Power Plant Equipment	15.19	-5.9%	3.54%	14.23	-5.9%	55.14%	3.57%
Total Jamestown			1.81%	14.22	-5.9%	79.80%	1.84%
<u>Jamestown Unit 1</u>							
341.00 Structures and Improvements	15.18	-5.9%	1.83%	14.22	-5.9%	77.40%	2.00%
342.00 Fuel Holders and Accessories	15.19	-5.9%	3.03%	14.23	-5.9%	62.51%	3.05%
343.00 Prime Movers	15.18	-5.9%	1.96%	14.22	-5.9%	77.75%	1.98%
344.00 Generators							
345.00 Accessory Electric Equipment	15.16	-5.9%	1.77%	14.21	-5.9%	80.45%	1.79%
346.00 Miscellaneous Power Plant Equipment	15.19	-5.9%	3.68%	14.23	-5.9%	53.14%	3.71%
Total Jamestown Unit 1			2.08%	14.22	-5.9%	75.83%	2.11%
<u>Jamestown Unit 2</u>							
341.00 Structures and Improvements	15.19	-5.9%	3.06%	14.23	-5.9%	61.97%	3.09%
342.00 Fuel Holders and Accessories	15.17	-5.9%	1.36%	14.21	-5.9%	86.28%	1.38%
343.00 Prime Movers	15.18	-5.9%	1.49%	14.22	-5.9%	84.47%	1.51%
344.00 Generators							
345.00 Accessory Electric Equipment	15.19	-5.9%	4.30%	14.23	-5.9%	44.42%	4.32%
346.00 Miscellaneous Power Plant Equipment	15.17	-5.9%	-0.20%	14.21	-5.9%	108.54%	-0.19%
Total Jamestown Unit 2			1.55%	14.22	-5.9%	83.65%	1.57%
<u>Lake Preston</u>							
341.00 Structures and Improvements	15.18	-6.9%	1.54%	14.22	-6.9%	83.84%	1.62%
342.00 Fuel Holders and Accessories	15.18	-6.9%	1.73%	14.22	-6.9%	82.03%	1.75%
343.00 Prime Movers	15.18	-6.9%	1.55%	14.22	-6.9%	84.54%	1.57%
344.00 Generators							
345.00 Accessory Electric Equipment	15.18	-6.9%	1.62%	14.22	-6.9%	83.57%	1.64%
346.00 Miscellaneous Power Plant Equipment	15.17	-6.9%	0.97%	14.21	-6.9%	92.91%	0.98%
Total Lake Preston			1.57%	14.22	-6.9%	84.26%	1.59%
<u>Ashtabula Wind Generation</u>							
341.00 Structures and Improvements	15.19	-3.5%	4.44%	14.23	-3.4%	40.16%	4.44%
342.00 Fuel Holders and Accessories							
343.00 Prime Movers							
344.00 Generators	15.19	-3.5%	4.56%	14.23	-3.4%	38.37%	4.57%
345.00 Accessory Electric Equipment	15.19	-3.5%	4.50%	14.23	-3.4%	39.23%	4.51%
346.00 Miscellaneous Power Plant Equipment	15.20	-3.5%	5.28%	14.23	-3.4%	28.13%	5.29%
Total Ashtabula Wind Generation			4.55%	14.23	-3.4%	38.46%	4.56%
<u>Langdon Wind Generation</u>							
341.00 Structures and Improvements	14.23	-4.0%	4.51%	13.27	-4.0%	43.90%	4.53%
342.00 Fuel Holders and Accessories							
343.00 Prime Movers							
344.00 Generators	14.23	-4.0%	4.63%	13.27	-4.0%	42.21%	4.66%
345.00 Accessory Electric Equipment	14.23	-4.0%	4.59%	13.27	-4.0%	42.81%	4.61%
346.00 Miscellaneous Power Plant Equipment	14.23	-4.0%	5.56%	13.27	-4.0%	29.95%	5.58%
Total Langdon Wind Generation			4.62%	13.27	-4.0%	42.31%	4.65%

OTTER TAIL POWER COMPANY

Statement A

Comparison of Current and Updated Accrual Rates

Current: VG Procedure / RL Technique

Updated: VG Procedure / RL Technique

Account Description A	Current			Updated			
	Rem. Life B	Fut. Net Salvage C	Accrual Rate D	Rem. Life E	Fut. Net Salvage F	Reserve Ratio G	Accrual Rate H
<u>Luverne Wind Generation</u>							
341.00 Structures and Improvements	16.15	-5.9%	4.52%	15.19	-5.9%	37.01%	4.54%
342.00 Fuel Holders and Accessories							
343.00 Prime Movers							
344.00 Generators	16.15	-5.9%	4.62%	15.19	-5.9%	35.33%	4.65%
345.00 Accessory Electric Equipment	16.15	-5.9%	4.52%	15.19	-5.9%	36.98%	4.54%
346.00 Miscellaneous Power Plant Equipment	16.16	-5.9%	5.30%	15.20	-5.9%	25.00%	5.32%
Total Luverne Wind Generation			4.61%	15.19	-5.9%	35.48%	4.64%
<u>Solway Combustion Turbine</u>							
341.00 Structures and Improvements	19.96	-1.6%	3.03%	19.01	-1.5%	40.17%	3.23%
342.00 Fuel Holders and Accessories	19.96	-1.6%	2.99%	19.01	-1.5%	44.71%	2.99%
343.00 Prime Movers	19.96	-1.6%	3.09%	19.01	-1.5%	40.95%	3.19%
344.00 Generators							
345.00 Accessory Electric Equipment	19.96	-1.6%	3.20%	19.01	-1.5%	40.67%	3.20%
346.00 Miscellaneous Power Plant Equipment	19.96	-1.6%	3.24%	19.01	-1.5%	40.00%	3.24%
Total Solway Combustion Turbine			3.08%	19.01	-1.5%	40.92%	3.19%
<u>Fergus Falls Control Center</u>							
341.00 Structures and Improvements							
342.00 Fuel Holders and Accessories							
343.00 Prime Movers	12.29	-5.0%	3.47%	11.32	-5.0%	65.20%	3.52%
344.00 Generators							
345.00 Accessory Electric Equipment							
346.00 Miscellaneous Power Plant Equipment							
Total Fergus Falls Control Center			3.47%	11.32	-5.0%	65.20%	3.52%

OTTER TAIL POWER COMPANY

Statement B

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

Account Description A	12/31/18 Plant Investment B	Minnesota Allocation Factor C	Current Annual Accrual		Updated Annual Accrual		Difference	
			Total D	Minnesota E=C*D	Total F	Minnesota G=C*F	Total H=F-D	Minnesota I=G-E
INTANGIBLE PLANT								
303.91 Software - 5 Year	\$ 8,829,670	0.49145661	\$ 1,765,934	\$ 867,880	\$ 1,765,934	\$ 867,880	\$ -	\$ -
303.92 Software - 10 Year								
Total Intangible Plant	\$ 8,873,135		\$ 1,765,934	\$ 867,880	\$ 1,765,934	\$ 867,880	\$ -	\$ -
STEAM PRODUCTION								
311.00 Structures and Improvements	\$ 119,993,612	0.54606695	\$ 3,058,231	\$ 1,669,999	\$ 3,032,710	\$ 1,656,063	\$ (25,521)	\$ (13,936)
312.00 Boiler Plant Equipment	340,331,009	0.54606695	12,089,381	6,601,611	12,805,232	6,992,515	715,851	390,904
312.10 Boiler Plant Equipment - Landfill	10,414,056	0.54606695	234,316	127,952	234,316	127,952		
314.00 Turbogenerator Units	65,812,502	0.54606695	1,714,181	936,058	1,799,804	982,813	85,623	46,755
315.00 Accessory Electric Equipment	35,548,098	0.54606695	883,917	482,678	887,321	484,537	3,404	1,859
316.00 Miscellaneous Power Plant Equipment	6,552,744	0.54606695	244,721	133,634	272,480	148,793	27,759	15,159
Total Steam Production Plant	\$ 578,652,021		\$ 18,224,747	\$ 9,951,932	\$ 19,031,863	\$ 10,392,673	\$ 807,116	\$ 440,741
HYDRAULIC PRODUCTION								
331.00 Structures and Improvements	\$ 351,712	0.54606695	\$ 23,704	\$ 12,945	\$ 25,713	\$ 14,041	\$ 2,009	\$ 1,096
332.00 Reservoirs, Dams and Waterways	4,277,055	0.54606695	461,239	251,866	500,493	273,302	39,254	21,436
333.00 Water Wheels, Turbines & Generators	1,373,867	0.54606695	84,099	45,922	91,280	49,845	7,181	3,923
334.00 Accessory Electric Equipment	597,103	0.54606695	37,672	20,572	40,869	22,318	3,197	1,746
335.00 Miscellaneous Power Plant Equipment	435,295	0.54606695	54,355	29,682	58,755	32,083	4,400	2,401
Total Hydraulic Production Plant	\$ 7,035,032		\$ 661,069	\$ 360,987	\$ 717,110	\$ 391,589	\$ 56,041	\$ 30,602
OTHER PRODUCTION								
341.00 Structures and Improvements	\$ 13,335,844	0.54505155	\$ 513,495	\$ 279,871	\$ 524,710	\$ 285,994	\$ 11,215	\$ 6,123
342.00 Fuel Holders and Accessories	1,748,265	0.54605703	47,685	26,038	47,832	26,119	147	81
343.00 Prime Movers	33,356,309	0.54606594	885,411	483,493	910,282	497,074	24,871	13,581
344.00 Generators	241,850,906	0.54458631	11,116,426	6,053,853	11,167,642	6,081,745	51,216	27,892
345.00 Accessory Electric Equipment	20,688,763	0.54467490	905,695	493,310	908,922	495,067	3,227	1,757
346.00 Miscellaneous Power Plant Equipment	628,270	0.54555000	23,750	12,956	23,809	12,989	59	33
Total Other Production Plant	\$ 311,608,357		\$ 13,492,462	\$ 7,349,521	\$ 13,583,197	\$ 7,398,988	\$ 90,735	\$ 49,467
TRANSMISSION PLANT								
353.00 Station Equipment	\$ 125,116,170	0.49889617	\$ 1,976,835	\$ 986,235	\$ 1,964,324	\$ 979,994	\$ (12,511)	\$ (6,241)
354.00 Towers and Fixtures	114,207,269	0.49889617	1,667,426	831,872	1,667,426	831,872		
355.00 Poles and Fixtures	123,728,553	0.49889617	2,227,114	1,111,099	2,239,487	1,117,271	12,373	6,172
356.00 Overhead Conductors and Devices	131,339,013	0.49889617	2,114,558	1,054,945	2,088,290	1,041,840	(26,268)	(13,105)
358.00 Underground Conductors and Devices	77,461	0.49889617	527	263	488	243	(39)	(20)
Total Transmission Plant	\$ 494,468,466		\$ 7,986,460	\$ 3,984,414	\$ 7,960,015	\$ 3,971,220	\$ (26,445)	\$ (13,194)
DISTRIBUTION PLANT								
362.00 Station Equipment	\$ 82,220,295	0.44138068	\$ 1,595,074	\$ 704,035	\$ 1,595,074	\$ 704,035	\$ -	\$ -
364.00 Poles, Towers and Fixtures	75,363,243	0.44138068	2,193,070	967,979	2,193,070	967,979		
365.00 Overhead Conductors and Devices	53,159,263	0.44138068	1,185,452	523,236	1,190,767	525,582	5,315	2,346
367.00 Underground Conductors and Devices	82,606,884	0.44138068	1,652,138	729,222	1,668,659	736,514	16,521	7,292
368.00 Line Transformers	103,417,431	0.44138068	1,851,172	817,072	1,851,172	817,072		

OTTER TAIL POWER COMPANY

Statement B

Comparison of Current and Updated Accruals

Current: VG Procedure / RL Technique

Proposed: VG Procedure / RL Technique

Account Description	12/31/18 Plant Investment	Minnesota Allocation Factor	Current Annual Accrual		Updated Annual Accrual		Difference	
			Total	Minnesota	Total	Minnesota	Total	Minnesota
A	B	C	D	E=C*D	F	G=C*F	H=F-D	I=G-E
369.00 Overhead Services	13,287,178	0.44138068	779,957	344,258	785,272	346,604	5,315	2,346
369.10 Underground Services	43,548,794	0.44138068	975,493	430,564	975,493	430,564		
370.00 Meters	27,166,163	0.44138068	918,216	405,283	926,366	408,880	8,150	3,597
370.10 Load Management Switches	8,907,627	0.44138068	250,304	110,479	187,060	82,565	(63,244)	(27,914)
371.20 Other Private Lighting	5,429,418	0.44138068	174,827	77,165	184,057	81,239	9,230	4,074
373.00 Street Lighting and Signal Systems	5,966,592	0.44138068	210,024	92,701	223,151	98,495	13,127	5,794
Total Distribution Plant	\$ 501,072,888		\$ 11,785,727	\$ 5,201,994	\$ 11,780,141	\$ 5,199,529	\$ (5,586)	\$ (2,465)
GENERAL PLANT								
Depreciable								
390.00 Structures and Improvements	\$ 20,230,767	0.49145661	\$ 392,477	\$ 192,885	\$ 388,431	\$ 190,897	\$ (4,046)	\$ (1,988)
390.10 General Office Buildings	6,066,473	0.49145661	31,546	15,503	33,972	16,696	2,426	1,193
390.20 Fleet Service Center Building	937,678	0.49145661	7,408	3,641	7,126	3,502	(282)	(139)
390.30 Central Stores Building	4,250,359	0.49145661	(33,153)	(16,293)	(24,227)	(11,907)	8,926	4,386
396.00 Power Operated Equipment	922,562	0.49145661	37,272	18,318	36,995	18,181	(277)	(137)
397.40 Communication Towers	1,861,238	0.49145661	31,827	15,642	31,455	15,459	(372)	(183)
Total Depreciable	\$ 34,269,077		\$ 467,377	\$ 229,696	\$ 473,752	\$ 232,828	\$ 6,375	\$ 3,132
Amortizable								
391.00 Office Furniture	\$ 816,310	0.49145661	\$ 54,448	\$ 26,759	\$ 54,448	\$ 26,759	\$ -	\$ -
391.10 Office Equipment	408,787	0.49145661	40,879	20,090	40,879	20,090		
391.20 Duplicating Equipment	303,558	0.49145661	30,356	14,919	30,356	14,919		
391.50 Computer Systems	3,516,830	0.49145661	703,366	345,674	703,366	345,674		
391.60 Computer Related Equipment	1,034,533	0.49145661	206,907	101,686	206,907	101,686		
394.00 Tools, Shop and Garage Equipment	4,048,897	0.49145661	270,061	132,723	270,061	132,723		
394.20 Automated Meter Reading Equipment	892,082	0.49145661	59,502	29,243	59,502	29,243		
397.00 Communication Equipment	2,722,368	0.49145661	181,582	89,240	181,582	89,240		
397.10 Radio Telecommunication Equipment	1,032,843	0.49145661	103,284	50,760	103,284	50,760		
397.20 Microwave Equipment	4,150,620	0.49145661	276,846	136,058	276,846	136,058		
397.30 Radio Load Control Equipment	459,343	0.49145661	45,934	22,575	45,934	22,575		
Total Amortizable	\$ 19,386,171		\$ 1,973,165	\$ 969,727	\$ 1,973,165	\$ 969,727	\$ -	\$ -
Total General Plant	\$ 53,655,248		\$ 2,440,542	\$ 1,199,423	\$ 2,446,917	\$ 1,202,555	\$ 6,375	\$ 3,132
TOTAL UTILITY	\$ 1,955,321,682		\$ 56,356,941	\$ 28,916,151	\$ 57,285,177	\$ 29,424,434	\$ 928,236	\$ 508,283

OTTER TAIL POWER COMPANY

Statement B

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

Account Description A	12/31/18 Plant Investment B	Minnesota Allocation Factor C	Current Annual Accrual		Updated Annual Accrual		Difference		
			Total D	Minnesota E=C*D	Total F	Minnesota G=C*F	Total H=F-D	Minnesota I=G-E	
STEAM PRODUCTION									
Big Stone									
311.00 Structures and Improvements	\$ 79,607,321	0.54606695	\$ 2,276,769	\$ 1,243,268	\$ 2,213,084	\$ 1,208,492	\$ (63,685)	\$ (34,776)	
312.00 Boiler Plant Equipment	199,342,937	0.54606695	6,299,237	3,439,805	6,578,317	3,592,202	279,080	152,397	
312.10 Boiler Plant Equipment - Landfill									
314.00 Turbogenerator Units	30,176,939	0.54606695	497,919	271,897	497,919	271,897			
315.00 Accessory Electric Equipment	20,858,135	0.54606695	540,226	295,000	523,539	285,887	(16,687)	(9,113)	
316.00 Miscellaneous Power Plant Equipment	3,206,031	0.54606695	66,044	36,064	75,662	41,317	9,618	5,253	
Total Big Stone	\$ 333,191,363		\$ 9,680,195	\$ 5,286,034	\$ 9,888,521	\$ 5,399,795	\$ 208,326	\$ 113,761	
Hoot Lake Units 2 and 3									
311.00 Structures and Improvements	\$ 6,093,767	0.54606695	\$ 232,782	\$ 127,115	\$ 267,516	\$ 146,082	\$ 34,734	\$ 18,967	
312.00 Boiler Plant Equipment	37,830,819	0.54606695	3,582,579	1,956,328	3,998,718	2,183,568	416,139	227,240	
312.10 Boiler Plant Equipment - Landfill	10,414,056	0.54606695	234,316	127,952	234,316	127,952			
314.00 Turbogenerator Units	11,543,445	0.54606695	645,279	352,366	726,083	396,490	80,804	44,124	
315.00 Accessory Electric Equipment	2,766,673	0.54606695	138,610	75,690	156,317	85,360	17,707	9,670	
316.00 Miscellaneous Power Plant Equipment	1,190,054	0.54606695	118,291	64,595	135,785	74,148	17,494	9,553	
Total Hoot Lake Units 2 and 3	\$ 69,838,814		\$ 4,951,857	\$ 2,704,046	\$ 5,518,735	\$ 3,013,600	\$ 566,878	\$ 309,554	
Coyote									
311.00 Structures and Improvements	\$ 34,292,524	0.54606695	\$ 548,680	\$ 299,616	\$ 552,110	\$ 301,489	\$ 3,430	\$ 1,873	
312.00 Boiler Plant Equipment	103,157,253	0.54606695	2,207,565	1,205,478	2,228,197	1,216,745	20,632	11,267	
312.10 Boiler Plant Equipment - Landfill		0.54606695							
314.00 Turbogenerator Units	24,092,118	0.54606695	570,983	311,795	575,802	314,426	4,819	2,631	
315.00 Accessory Electric Equipment	11,923,290	0.54606695	205,081	111,988	207,465	113,290	2,384	1,302	
316.00 Miscellaneous Power Plant Equipment	2,156,659	0.54606695	60,386	32,975	61,033	33,328	647	353	
Total Coyote	\$ 175,621,844		\$ 3,592,695	\$ 1,961,852	\$ 3,624,607	\$ 1,979,278	\$ 31,912	\$ 17,426	
HYDRAULIC PRODUCTION									
Hoot Lake									
331.00 Structures and Improvements	\$ 69,354	0.54606695	\$ 208	\$ 114	\$ 229	\$ 125	\$ 21	\$ 11	
332.00 Reservoirs, Dams and Waterways	297,674	0.54606695	8,007	4,372	8,692	4,746	685	374	
333.00 Water Wheels, Turbines & Generators	104,195	0.54606695	1,907	1,041	2,063	1,127	156	86	
334.00 Accessory Electric Equipment	34,651	0.54606695	873	477	946	517	73	40	
335.00 Miscellaneous Power Plant Equipment	48,801	0.54606695	6,974	3,808	7,569	4,133	595	325	
Total Hoot Lake	\$ 554,675		\$ 17,969	\$ 9,812	\$ 19,499	\$ 10,648	\$ 1,530	\$ 836	
Wright									
331.00 Structures and Improvements	\$ 19,026	0.54606695	\$ 723	\$ 395	\$ 784	\$ 428	\$ 61	\$ 33	
332.00 Reservoirs, Dams and Waterways	892,711	0.54606695	114,803	62,690	124,622	68,052	9,819	5,362	
333.00 Water Wheels, Turbines & Generators	545,392	0.54606695	25,961	14,176	28,197	15,397	2,236	1,221	
334.00 Accessory Electric Equipment	202,552	0.54606695	14,057	7,676	15,252	8,329	1,195	653	
335.00 Miscellaneous Power Plant Equipment	115,218	0.54606695	11,914	6,506	12,927	7,059	1,013	553	
Total Wright	\$ 1,774,899		\$ 167,458	\$ 91,443	\$ 181,782	\$ 99,265	\$ 14,324	\$ 7,822	

OTTER TAIL POWER COMPANY

Statement B

Comparison of Current and Updated Accruals

Current: VG Procedure / RL Technique

Proposed: VG Procedure / RL Technique

Account Description A	12/31/18 Plant Investment B	Minnesota Allocation Factor C	Current Annual Accrual		Updated Annual Accrual		Difference		
			Total D	Minnesota E=C*D	Total F	Minnesota G=C*F	Total H=F-D	Minnesota I=G-E	
<u>Pisgah</u>									
331.00 Structures and Improvements	\$ 12,118	0.54606695	\$ 367	\$ 200	\$ 399	\$ 218	\$ 32	\$ 18	
332.00 Reservoirs, Dams and Waterways	376,297	0.54606695	36,952	20,178	40,113	21,904	3,161	1,726	
333.00 Water Wheels, Turbines & Generators	159,732	0.54606695	13,497	7,370	14,631	7,990	1,134	620	
334.00 Accessory Electric Equipment	102,487	0.54606695	8,158	4,455	8,855	4,835	697	380	
335.00 Miscellaneous Power Plant Equipment	62,744	0.54606695	9,418	5,143	10,221	5,581	803	438	
Total Pisgah	\$ 713,378		\$ 68,392	\$ 37,346	\$ 74,219	\$ 40,528	\$ 5,827	\$ 3,182	
<u>Dayton Hollow</u>									
331.00 Structures and Improvements	\$ 16,269	0.54606695	\$ 2,161	\$ 1,180	\$ 2,343	\$ 1,279	\$ 182	\$ 99	
332.00 Reservoirs, Dams and Waterways	1,291,391	0.54606695	167,623	91,533	181,828	99,290	14,205	7,757	
333.00 Water Wheels, Turbines & Generators	226,751	0.54606695	18,866	10,302	20,476	11,181	1,610	879	
334.00 Accessory Electric Equipment	193,342	0.54606695	11,214	6,124	12,161	6,641	947	517	
335.00 Miscellaneous Power Plant Equipment	111,159	0.54606695	15,373	8,395	16,685	9,111	1,312	716	
Total Dayton Hollow	\$ 1,838,912		\$ 215,237	\$ 117,534	\$ 233,493	\$ 127,502	\$ 18,256	\$ 9,968	
<u>Taplin Gorge</u>									
331.00 Structures and Improvements	\$ 35,140	0.54606695	\$ 404	\$ 221	\$ 439	\$ 240	\$ 35	\$ 19	
332.00 Reservoirs, Dams and Waterways	602,762	0.54606695	47,498	25,937	51,536	28,142	4,038	2,205	
333.00 Water Wheels, Turbines & Generators	15,110	0.54606695	151	82	163	89	12	7	
334.00 Accessory Electric Equipment	58,695	0.54606695	2,976	1,625	3,228	1,763	252	138	
335.00 Miscellaneous Power Plant Equipment	96,303	0.54606695	10,545	5,758	11,210	6,121	665	363	
Total Taplin Gorge	\$ 808,010		\$ 61,574	\$ 33,623	\$ 66,576	\$ 36,355	\$ 5,002	\$ 2,732	
<u>Bemidji</u>									
331.00 Structures and Improvements	\$ 199,805	0.54606695	\$ 19,841	\$ 10,835	\$ 21,519	\$ 11,751	\$ 1,678	\$ 916	
332.00 Reservoirs, Dams and Waterways	816,220	0.54606695	86,356	47,156	93,702	51,168	7,346	4,012	
333.00 Water Wheels, Turbines & Generators	322,687	0.54606695	23,717	12,951	25,750	14,061	2,033	1,110	
334.00 Accessory Electric Equipment	5,376	0.54606695	394	215	427	233	33	18	
335.00 Miscellaneous Power Plant Equipment	1,070	0.54606695	131	72	143	78	12	6	
Total Bemidji	\$ 1,345,158		\$ 130,439	\$ 71,229	\$ 141,541	\$ 77,291	\$ 11,102	\$ 6,062	
OTHER PRODUCTION									
<u>Jamestown</u>									
341.00 Structures and Improvements	\$ 311,512	0.54606695	\$ 6,007	\$ 3,281	\$ 6,501	\$ 3,550	\$ 494	\$ 269	
342.00 Fuel Holders and Accessories	415,964	0.54606695	11,990	6,547	12,072	6,592	82	45	
343.00 Prime Movers	6,952,527	0.54606695	117,838	64,347	119,228	65,106	1,390	759	
344.00 Generators									
345.00 Accessory Electric Equipment	227,590	0.54606695	5,858	3,199	5,903	3,224	45	25	
346.00 Miscellaneous Power Plant Equipment	88,665	0.54606695	3,139	1,714	3,165	1,729	26	15	
Total Jamestown	\$ 7,996,258		\$ 144,832	\$ 79,088	\$ 146,869	\$ 80,201	\$ 2,037	\$ 1,113	

OTTER TAIL POWER COMPANY

Statement B

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

Account Description A	12/31/18 Plant Investment B	Minnesota Allocation Factor C	Current Annual Accrual		Updated Annual Accrual		Difference		
			Total D	Minnesota E=C*D	Total F	Minnesota G=C*F	Total H=F-D	Minnesota I=G-E	
Jamestown Unit 1									
341.00 Structures and Improvements	\$ 286,659	0.54606695	\$ 5,246	\$ 2,865	\$ 5,733	\$ 3,131	\$ 487	\$ 266	
342.00 Fuel Holders and Accessories	379,195	0.54606695	11,490	6,274	11,565	6,315	75	41	
343.00 Prime Movers	3,030,866	0.54606695	59,405	32,439	60,011	32,770	606	331	
344.00 Generators									
345.00 Accessory Electric Equipment	155,272	0.54606695	2,748	1,501	2,779	1,518	31	17	
346.00 Miscellaneous Power Plant Equipment	85,462	0.54606695	3,145	1,717	3,171	1,732	26	15	
Total Jamestown Unit 1	\$ 3,937,454		\$ 82,034	\$ 44,796	\$ 83,259	\$ 45,466	\$ 1,225	\$ 670	
Jamestown Unit 2									
341.00 Structures and Improvements	\$ 24,853	0.54606695	\$ 761	\$ 416	\$ 768	\$ 419	\$ 7	\$ 3	
342.00 Fuel Holders and Accessories	36,769	0.54606695	500	273	507	277	7	4	
343.00 Prime Movers	3,921,661	0.54606695	58,433	31,908	59,217	32,336	784	428	
344.00 Generators									
345.00 Accessory Electric Equipment	72,318	0.54606695	3,110	1,698	3,124	1,706	14	8	
346.00 Miscellaneous Power Plant Equipment	3,203	0.54606695	(6)	(3)	(6)	(3)			
Total Jamestown Unit 2	\$ 4,058,804		\$ 62,798	\$ 34,292	\$ 63,610	\$ 34,735	\$ 812	\$ 443	
Lake Preston									
341.00 Structures and Improvements	\$ 233,982	0.54606695	\$ 3,603	\$ 1,967	\$ 3,791	\$ 2,070	\$ 188	\$ 103	
342.00 Fuel Holders and Accessories	328,705	0.54606695	5,687	3,105	5,752	3,141	65	36	
343.00 Prime Movers	3,282,642	0.54606695	50,881	27,784	51,537	28,143	656	359	
344.00 Generators									
345.00 Accessory Electric Equipment	400,094	0.54606695	6,482	3,540	6,562	3,583	80	43	
346.00 Miscellaneous Power Plant Equipment	21,607	0.54606695	210	115	212	116	2	1	
Total Lake Preston	\$ 4,267,030		\$ 66,863	\$ 36,511	\$ 67,854	\$ 37,053	\$ 991	\$ 542	
Ashtabula Wind Generation									
341.00 Structures and Improvements	\$ 3,248,290	0.54458631	\$ 144,224	\$ 78,542	\$ 144,224	\$ 78,542	\$ -	\$ -	
342.00 Fuel Holders and Accessories									
343.00 Prime Movers									
344.00 Generators	106,694,618	0.54458631	4,865,275	2,649,562	4,875,944	2,655,372	10,669	5,810	
345.00 Accessory Electric Equipment	6,479,774	0.54458631	291,590	158,796	292,238	159,149	648	353	
346.00 Miscellaneous Power Plant Equipment	28,417	0.54458631	1,500	817	1,503	819	3	2	
Total Ashtabula Wind Generation	\$ 116,451,099		\$ 5,302,589	\$ 2,887,717	\$ 5,313,909	\$ 2,893,882	\$ 11,320	\$ 6,165	
Langdon Wind Generation									
341.00 Structures and Improvements	\$ 2,484,069	0.54458631	\$ 112,032	\$ 61,011	\$ 112,528	\$ 61,281	\$ 496	\$ 270	
342.00 Fuel Holders and Accessories									
343.00 Prime Movers									
344.00 Generators	69,305,149	0.54458631	3,208,828	1,747,484	3,229,620	1,758,807	20,792	11,323	
345.00 Accessory Electric Equipment	7,407,275	0.54458631	339,994	185,156	341,475	185,963	1,481	807	
346.00 Miscellaneous Power Plant Equipment	65,210	0.54458631	3,626	1,975	3,639	1,982	13	7	
Total Langdon Wind Generation	\$ 79,261,703		\$ 3,664,480	\$ 1,995,626	\$ 3,687,262	\$ 2,008,033	\$ 22,782	\$ 12,407	

OTTER TAIL POWER COMPANY

Statement B

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

Account Description A	12/31/18 Plant Investment B	Minnesota Allocation Factor C	Current Annual Accrual		Updated Annual Accrual		Difference		
			Total D	Minnesota E=C*D	Total F	Minnesota G=C*F	Total H=F-D	Minnesota I=G-E	
<u>Luverne Wind Generation</u>									
341.00 Structures and Improvements	\$ 2,266,581	0.54458631	\$ 102,449	\$ 55,792	\$ 102,903	\$ 56,040	\$ 454	\$ 248	
342.00 Fuel Holders and Accessories									
343.00 Prime Movers									
344.00 Generators	65,851,139	0.54458631	3,042,323	1,656,807	3,062,078	1,667,566	19,755	10,759	
345.00 Accessory Electric Equipment	4,863,837	0.54458631	219,845	119,725	220,818	120,254	973	529	
346.00 Miscellaneous Power Plant Equipment	74,045	0.54458631	3,924	2,137	3,939	2,145	15	8	
Total Luverne Wind Generation	\$ 73,055,602		\$ 3,368,541	\$ 1,834,461	\$ 3,389,738	\$ 1,846,005	\$ 21,197	\$ 11,544	
<u>Solway Combustion Turbine</u>									
341.00 Structures and Improvements	\$ 4,791,410	0.54606695	\$ 145,180	\$ 79,278	\$ 154,763	\$ 84,511	\$ 9,583	\$ 5,233	
342.00 Fuel Holders and Accessories	1,003,596	0.54606695	30,008	16,386	30,008	16,386			
343.00 Prime Movers	22,529,502	0.54606695	696,162	380,151	718,691	392,453	22,529	12,302	
344.00 Generators									
345.00 Accessory Electric Equipment	1,310,193	0.54606695	41,926	22,894	41,926	22,894			
346.00 Miscellaneous Power Plant Equipment	350,326	0.54606695	11,351	6,198	11,351	6,198			
Total Solway Combustion Turbine	\$ 29,985,027		\$ 924,627	\$ 504,907	\$ 956,739	\$ 522,442	\$ 32,112	\$ 17,535	
<u>Fergus Falls Control Center</u>									
341.00 Structures and Improvements	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
342.00 Fuel Holders and Accessories									
343.00 Prime Movers	591,638	0.54606695	20,530	11,211	20,826	11,372	296	161	
344.00 Generators									
345.00 Accessory Electric Equipment									
346.00 Miscellaneous Power Plant Equipment									
Total Fergus Falls Control Center	\$ 591,638		\$ 20,530	\$ 11,211	\$ 20,826	\$ 11,372	\$ 296	\$ 161	

OTTER TAIL POWER COMPANY

Depreciation Reserve Summary
Vintage Group Procedure
December 31, 2018

Statement C

Account Description A	Plant Investment B	Recorded Reserve		Computed Reserve		Reserve Imbalance		
		Amount C	Ratio D=C/B	Amount E	Ratio F=E/B	Amount G=C-E	Multiple H=G/C	
INTANGIBLE PLANT								
303.91 Software - 5 Year	\$ 8,829,670	\$ 3,233,725	36.62%	\$ 3,668,372	41.55%	\$ (434,647)	-13.44%	
303.92 Software - 10 Year								
Total Intangible Plant	\$ 8,829,670	\$ 3,233,725	36.62%	\$ 3,668,372	41.55%	\$ (434,647)	-13.44%	
STEAM PRODUCTION								
311.00 Structures and Improvements	\$ 119,993,612	\$ 57,346,416	47.79%	\$ 47,501,797	39.59%	\$ 9,844,619	17.17%	
312.00 Boiler Plant Equipment	340,331,009	133,820,852	39.32%	127,729,539	37.53%	6,091,313	4.55%	
312.10 Boiler Plant Equipment - Landfill	10,414,056	3,115,895	29.92%	1,377,521	13.23%	1,738,374	55.79%	
314.00 Turbogenerator Units	65,812,502	43,923,036	66.74%	37,201,515	56.53%	6,721,522	15.30%	
315.00 Accessory Electric Equipment	35,548,098	19,452,762	54.72%	16,099,967	45.29%	3,352,795	17.24%	
316.00 Miscellaneous Power Plant Equipment	6,552,744	3,439,968	52.50%	3,266,380	49.85%	173,588	5.05%	
Total Steam Production Plant	\$ 578,652,021	\$ 261,098,930	45.12%	\$ 233,176,718	40.30%	\$ 27,922,212	10.69%	
HYDRAULIC PRODUCTION								
331.00 Structures and Improvements	\$ 351,712	\$ 287,707	81.80%	\$ 303,784	86.37%	\$ (16,077)	-5.59%	
332.00 Reservoirs, Dams and Waterways	4,277,055	3,030,991	70.87%	3,428,639	80.16%	(397,648)	-13.12%	
333.00 Water Wheels, Turbines & Generators	1,373,867	1,146,637	83.46%	1,097,827	79.91%	48,810	4.26%	
334.00 Accessory Electric Equipment	597,103	495,373	82.96%	519,464	87.00%	(24,091)	-4.86%	
335.00 Miscellaneous Power Plant Equipment	435,295	289,032	66.40%	329,083	75.60%	(40,051)	-13.86%	
Total Hydraulic Production Plant	\$ 7,035,032	\$ 5,249,740	74.62%	\$ 5,678,797	80.72%	\$ (429,057)	-8.17%	
OTHER PRODUCTION								
341.00 Structures and Improvements	\$ 13,335,844	\$ 5,592,031	41.93%	\$ 5,744,001	43.07%	\$ (151,970)	-2.72%	
342.00 Fuel Holders and Accessories	1,748,265	987,110	56.46%	883,792	50.55%	103,318	10.47%	
343.00 Prime Movers	33,356,309	18,054,729	54.13%	16,806,777	50.39%	1,247,951	6.91%	
344.00 Generators	241,850,906	93,454,882	38.64%	103,219,046	42.68%	(9,764,164)	-10.45%	
345.00 Accessory Electric Equipment	20,688,763	8,536,021	41.26%	9,068,939	43.84%	(532,918)	-6.24%	
346.00 Miscellaneous Power Plant Equipment	628,270	255,117	40.61%	246,097	39.17%	9,020	3.54%	
Total Other Production Plant	\$ 311,608,357	\$ 126,879,889	40.72%	\$ 135,968,652	43.63%	\$ (9,088,763)	-7.16%	
TRANSMISSION PLANT								
353.00 Station Equipment	\$ 125,116,170	\$ 22,843,629	18.26%	\$ 23,364,599	18.67%	\$ (520,971)	-2.28%	
354.00 Towers and Fixtures	114,207,269	9,288,599	8.13%	8,643,206	7.57%	645,393	6.95%	
355.00 Poles and Fixtures	123,728,553	53,076,626	42.90%	44,336,279	35.83%	8,740,347	16.47%	
356.00 Overhead Conductors and Devices	131,339,013	42,473,644	32.34%	34,867,151	26.55%	7,606,493	17.91%	
358.00 Underground Conductors and Devices	77,461	74,294	95.91%	57,849	74.68%	16,445	22.13%	
Total Transmission Plant	\$ 494,468,466	\$ 127,756,791	25.84%	\$ 111,269,084	22.50%	\$ 16,487,707	12.91%	

OTTER TAIL POWER COMPANY

Depreciation Reserve Summary
Vintage Group Procedure
December 31, 2018

Statement C

Account Description A	Plant Investment B	Recorded Reserve		Computed Reserve		Reserve Imbalance		
		Amount C	Ratio D=C/B	Amount E	Ratio F=E/B	Amount G=C-E	Multiple H=G/C	
DISTRIBUTION PLANT								
362.00 Station Equipment	\$ 82,220,295	\$ 22,842,035	27.78%	\$ 17,063,198	20.75%	\$ 5,778,836	25.30%	
364.00 Poles, Towers and Fixtures	75,363,243	43,596,276	57.85%	45,491,134	60.36%	(1,894,858)	-4.35%	
365.00 Overhead Conductors and Devices	53,159,263	41,729,648	78.50%	31,579,113	59.40%	10,150,536	24.32%	
367.00 Underground Conductors and Devices	82,606,884	38,484,131	46.59%	30,888,051	37.39%	7,596,080	19.74%	
368.00 Line Transformers	103,417,431	15,397,573	14.89%	21,133,857	20.44%	(5,736,284)	-37.25%	
369.00 Overhead Services	13,287,178	15,962,406	120.13%	17,663,638	132.94%	(1,701,232)	-10.66%	
369.10 Underground Services	43,548,794	19,484,769	44.74%	17,080,166	39.22%	2,404,603	12.34%	
370.00 Meters	27,166,163	8,604,397	31.67%	8,540,084	31.44%	64,313	0.75%	
370.10 Load Management Switches	8,907,627	8,402,612	94.33%	7,340,813	82.41%	1,061,799	12.64%	
371.20 Other Private Lighting	5,429,418	934,136	17.21%	433,037	7.98%	501,099	53.64%	
373.00 Street Lighting and Signal Systems	5,966,592	2,770,167	46.43%	1,975,553	33.11%	794,613	28.68%	
Total Distribution Plant	\$ 501,072,888	\$ 218,208,150	43.55%	\$ 199,188,644	39.75%	\$ 19,019,506	8.72%	
GENERAL PLANT								
Depreciable								
390.00 Structures and Improvements	\$ 20,230,767	\$ 6,124,929	30.28%	\$ 7,003,634	34.62%	\$ (878,705)	-14.35%	
390.10 General Office Buildings	6,066,473	2,482,843	40.93%	1,208,396	19.92%	1,274,448	51.33%	
390.20 Fleet Service Center Building	937,678	530,429	56.57%	352,724	37.62%	177,705	33.50%	
390.30 Central Stores Building	4,250,359	1,626,817	38.27%	505,431	11.89%	1,121,386	68.93%	
396.00 Power Operated Equipment	922,562	181,181	19.64%	238,082	25.81%	(56,902)	-31.41%	
397.40 Communication Towers	1,861,238	943,462	50.69%	725,320	38.97%	218,142	23.12%	
Total Depreciable	\$ 34,269,077	\$ 11,889,661	34.70%	\$ 10,033,587	29.28%	\$ 1,856,074	15.61%	
Amortizable								
391.00 Office Furniture	\$ 816,310	\$ 485,290	59.45%	\$ 494,149	60.53%	\$ (8,859)	-1.83%	
391.10 Office Equipment	408,787	234,493	57.36%	242,749	59.38%	(8,256)	-3.52%	
391.20 Duplicating Equipment	303,558	157,552	51.90%	164,012	54.03%	(6,460)	-4.10%	
391.50 Computer Systems	3,516,830	1,063,171	30.23%	1,362,815	38.75%	(299,644)	-28.18%	
391.60 Computer Related Equipment	1,034,533	673,792	65.13%	741,492	71.67%	(67,700)	-10.05%	
394.00 Tools, Shop and Garage Equipment	4,048,897	1,985,926	49.05%	2,010,070	49.64%	(24,144)	-1.22%	
394.20 Automated Meter Reading Equipment	892,082	467,986	52.46%	468,567	52.53%	(581)	-0.12%	
397.00 Communication Equipment	2,722,368	589,401	21.65%	671,963	24.68%	(82,562)	-14.01%	
397.10 Radio Telecommunication Equipment	1,032,843	766,166	74.18%	789,993	76.49%	(23,827)	-3.11%	
397.20 Microwave Equipment	4,150,620	2,071,836	49.92%	2,130,995	51.34%	(59,159)	-2.86%	
397.30 Radio Load Control Equipment	459,343	242,184	52.72%	274,172	59.69%	(31,988)	-13.21%	
Total Amortizable	\$ 19,386,171	\$ 8,737,797	45.07%	\$ 9,350,977	48.24%	\$ (613,180)	-7.02%	
Total General Plant	\$ 53,655,248	\$ 20,627,458	38.44%	\$ 19,384,564	36.13%	\$ 1,242,894	6.03%	
TOTAL UTILITY	\$ 1,955,321,682	\$ 763,054,683	39.02%	\$ 708,334,831	36.23%	\$ 54,719,852	7.17%	

OTTER TAIL POWER COMPANY

Depreciation Reserve Summary
Vintage Group Procedure
December 31, 2018

Statement C

Account Description A	Plant Investment B	Recorded Reserve		Computed Reserve		Reserve Imbalance		
		Amount C	Ratio D=C/B	Amount E	Ratio F=E/B	Amount G=C-E	Multiple H=G/C	
STEAM PRODUCTION								
<u>Big Stone</u>								
311.00 Structures and Improvements	\$ 79,607,321	\$ 25,606,487	32.17%	\$ 19,601,917	24.62%	\$ 6,004,570	23.45%	
312.00 Boiler Plant Equipment	199,342,937	36,261,758	18.19%	37,005,813	18.56%	(744,055)	-2.05%	
312.10 Boiler Plant Equipment - Landfill								
314.00 Turbogenerator Units	30,176,939	18,707,887	61.99%	12,803,919	42.43%	5,903,968	31.56%	
315.00 Accessory Electric Equipment	20,858,135	8,167,181	39.16%	6,094,136	29.22%	2,073,045	25.38%	
316.00 Miscellaneous Power Plant Equipment	3,206,031	1,383,483	43.15%	1,166,854	36.40%	216,629	15.66%	
Total Big Stone	\$ 333,191,363	\$ 90,126,797	27.05%	\$ 76,672,639	23.01%	\$ 13,454,158	14.93%	
<u>Hoot Lake Units 2 and 3</u>								
311.00 Structures and Improvements	\$ 6,093,767	\$ 6,377,603	104.66%	\$ 6,544,714	107.40%	\$ (167,111)	-2.62%	
312.00 Boiler Plant Equipment	37,830,819	33,775,195	89.28%	35,960,705	95.06%	(2,185,510)	-6.47%	
312.10 Boiler Plant Equipment - Landfill	10,414,056	3,115,895	29.92%	1,377,521	13.23%	1,738,374	55.79%	
314.00 Turbogenerator Units	11,543,445	11,536,138	99.94%	11,956,956	103.58%	(420,819)	-3.65%	
315.00 Accessory Electric Equipment	2,766,673	2,808,599	101.52%	2,894,026	104.60%	(85,428)	-3.04%	
316.00 Miscellaneous Power Plant Equipment	1,190,054	1,037,746	87.20%	1,129,561	94.92%	(91,815)	-8.85%	
Total Hoot Lake Units 2 and 3	\$ 69,838,814	\$ 58,651,175	83.98%	\$ 59,863,484	85.72%	\$ (1,212,308)	-2.07%	
<u>Coyote</u>								
311.00 Structures and Improvements	\$ 34,292,524	\$ 25,362,325	73.96%	\$ 21,355,166	62.27%	\$ 4,007,160	15.80%	
312.00 Boiler Plant Equipment	103,157,253	63,783,899	61.83%	54,763,020	53.09%	9,020,878	14.14%	
312.10 Boiler Plant Equipment - Landfill								
314.00 Turbogenerator Units	24,092,118	13,679,011	56.78%	12,440,639	51.64%	1,238,372	9.05%	
315.00 Accessory Electric Equipment	11,923,290	8,476,983	71.10%	7,111,805	59.65%	1,365,178	16.10%	
316.00 Miscellaneous Power Plant Equipment	2,156,659	1,018,739	47.24%	969,965	44.98%	48,774	4.79%	
Total Coyote	\$ 175,621,844	\$ 112,320,957	63.96%	\$ 96,640,595	55.03%	\$ 15,680,362	13.96%	
HYDRAULIC PRODUCTION								
<u>Hoot Lake</u>								
331.00 Structures and Improvements	\$ 69,354	\$ 68,790	99.19%	\$ 66,550	95.96%	\$ 2,240	3.26%	
332.00 Reservoirs, Dams and Waterways	297,674	276,035	92.73%	272,984	91.71%	3,052	1.11%	
333.00 Water Wheels, Turbines & Generators	104,195	99,048	95.06%	97,052	93.14%	1,996	2.02%	
334.00 Accessory Electric Equipment	34,651	32,295	93.20%	31,857	91.94%	438	1.36%	
335.00 Miscellaneous Power Plant Equipment	48,801	29,960	61.39%	35,224	72.18%	(5,264)	-17.57%	
Total Hoot Lake	\$ 554,675	\$ 506,128	91.25%	\$ 503,666	90.80%	\$ 2,462	0.49%	

OTTER TAIL POWER COMPANY

Depreciation Reserve Summary
Vintage Group Procedure
December 31, 2018

Statement C

Account Description A	Plant Investment B	Recorded Reserve		Computed Reserve		Reserve Imbalance		
		Amount C	Ratio D=C/B	Amount E	Ratio F=E/B	Amount G=C-E	Multiple H=G/C	
Wright								
331.00 Structures and Improvements	\$ 19,026	\$ 17,074	89.74%	\$ 17,491	91.93%	\$ (417)	-2.44%	
332.00 Reservoirs, Dams and Waterways	892,711	582,423	65.24%	724,089	81.11%	(141,666)	-24.32%	
333.00 Water Wheels, Turbines & Generators	545,392	475,218	87.13%	394,597	72.35%	80,620	16.96%	
334.00 Accessory Electric Equipment	202,552	164,600	81.26%	173,226	85.52%	(8,626)	-5.24%	
335.00 Miscellaneous Power Plant Equipment	115,218	83,043	72.07%	91,615	79.51%	(8,572)	-10.32%	
Total Wright	\$ 1,774,899	\$ 1,322,358	74.50%	\$ 1,401,019	78.94%	\$ (78,661)	-5.95%	
Pisgah								
331.00 Structures and Improvements	\$ 12,118	\$ 11,127	91.82%	\$ 11,344	93.61%	\$ (217)	-1.95%	
332.00 Reservoirs, Dams and Waterways	376,297	276,432	73.46%	304,388	80.89%	(27,956)	-10.11%	
333.00 Water Wheels, Turbines & Generators	159,732	123,289	77.18%	131,073	82.06%	(7,784)	-6.31%	
334.00 Accessory Electric Equipment	102,487	80,441	78.49%	86,184	84.09%	(5,743)	-7.14%	
335.00 Miscellaneous Power Plant Equipment	62,744	37,303	59.45%	45,183	72.01%	(7,880)	-21.12%	
Total Pisgah	\$ 713,378	\$ 528,591	74.10%	\$ 578,171	81.05%	\$ (49,581)	-9.38%	
Dayton Hollow								
331.00 Structures and Improvements	\$ 16,269	\$ 10,434	64.14%	\$ 12,210	75.05%	\$ (1,776)	-17.02%	
332.00 Reservoirs, Dams and Waterways	1,291,391	838,652	64.94%	960,836	74.40%	(122,184)	-14.57%	
333.00 Water Wheels, Turbines & Generators	226,751	175,782	77.52%	183,026	80.72%	(7,245)	-4.12%	
334.00 Accessory Electric Equipment	193,342	163,063	84.34%	170,921	88.40%	(7,858)	-4.82%	
335.00 Miscellaneous Power Plant Equipment	111,159	69,616	62.63%	80,240	72.19%	(10,625)	-15.26%	
Total Dayton Hollow	\$ 1,838,912	\$ 1,257,547	68.39%	\$ 1,407,233	76.53%	\$ (149,686)	-11.90%	
Taplin Gorge								
331.00 Structures and Improvements	\$ 35,140	\$ 34,045	96.88%	\$ 33,970	96.67%	\$ 75	0.22%	
332.00 Reservoirs, Dams and Waterways	602,762	474,480	78.72%	506,677	84.06%	(32,197)	-6.79%	
333.00 Water Wheels, Turbines & Generators	15,110	14,702	97.30%	14,654	96.98%	48	0.33%	
334.00 Accessory Electric Equipment	58,695	50,662	86.31%	52,116	88.79%	(1,454)	-2.87%	
335.00 Miscellaneous Power Plant Equipment	96,303	68,395	71.02%	75,986	78.90%	(7,590)	-11.10%	
Total Taplin Gorge	\$ 808,010	\$ 642,284	79.49%	\$ 683,402	84.58%	\$ (41,118)	-6.40%	
Bemidji								
331.00 Structures and Improvements	\$ 199,805	\$ 146,237	73.19%	\$ 162,219	81.19%	\$ (15,982)	-10.93%	
332.00 Reservoirs, Dams and Waterways	816,220	582,969	71.42%	659,667	80.82%	(76,698)	-13.16%	
333.00 Water Wheels, Turbines & Generators	322,687	258,599	80.14%	277,425	85.97%	(18,826)	-7.28%	
334.00 Accessory Electric Equipment	5,376	4,313	80.22%	5,161	95.99%	(848)	-19.66%	
335.00 Miscellaneous Power Plant Equipment	1,070	715	66.83%	834	77.98%	(119)	-16.68%	
Total Bemidji	\$ 1,345,158	\$ 992,833	73.81%	\$ 1,105,306	82.17%	\$ (112,473)	-11.33%	

OTTER TAIL POWER COMPANY

Depreciation Reserve Summary
Vintage Group Procedure
December 31, 2018

Statement C

Account Description A	Plant Investment B	Recorded Reserve		Computed Reserve		Reserve Imbalance		
		Amount C	Ratio D=C/B	Amount E	Ratio F=E/B	Amount G=C-E	Multiple H=G/C	
OTHER PRODUCTION								
<u>Jamestown</u>								
341.00 Structures and Improvements	\$ 311,512	\$ 237,275	76.17%	\$ 195,126	62.64%	\$ 42,149	17.76%	
342.00 Fuel Holders and Accessories	415,964	268,763	64.61%	215,422	51.79%	53,341	19.85%	
343.00 Prime Movers	6,952,527	5,669,054	81.54%	4,759,610	68.46%	909,444	16.04%	
344.00 Generators								
345.00 Accessory Electric Equipment	227,590	157,044	69.00%	152,696	67.09%	4,348	2.77%	
346.00 Miscellaneous Power Plant Equipment	88,665	48,893	55.14%	39,615	44.68%	9,278	18.98%	
Total Jamestown	\$ 7,996,258	\$ 6,381,029	79.80%	\$ 5,362,469	67.06%	\$ 1,018,560	15.96%	
<u>Jamestown Unit 1</u>								
341.00 Structures and Improvements	\$ 286,659	\$ 221,874	77.40%	\$ 182,391	63.63%	\$ 39,483	17.80%	
342.00 Fuel Holders and Accessories	379,195	237,037	62.51%	193,222	50.96%	43,815	18.48%	
343.00 Prime Movers	3,030,866	2,356,562	77.75%	1,978,777	65.29%	377,785	16.03%	
344.00 Generators								
345.00 Accessory Electric Equipment	155,272	124,921	80.45%	122,814	79.10%	2,107	1.69%	
346.00 Miscellaneous Power Plant Equipment	85,462	45,416	53.14%	37,078	43.38%	8,339	18.36%	
Total Jamestown Unit 1	\$ 3,937,454	\$ 2,985,810	75.83%	\$ 2,514,281	63.86%	\$ 471,529	15.79%	
<u>Jamestown Unit 2</u>								
341.00 Structures and Improvements	\$ 24,853	\$ 15,401	61.97%	\$ 12,735	51.24%	\$ 2,666	17.31%	
342.00 Fuel Holders and Accessories	36,769	31,725	86.28%	22,199	60.37%	9,526	30.03%	
343.00 Prime Movers	3,921,661	3,312,492	84.47%	2,780,833	70.91%	531,658	16.05%	
344.00 Generators								
345.00 Accessory Electric Equipment	72,318	32,123	44.42%	29,883	41.32%	2,241	6.98%	
346.00 Miscellaneous Power Plant Equipment	3,203	3,477	108.54%	2,537	79.21%	940	27.03%	
Total Jamestown Unit 2	\$ 4,058,804	\$ 3,395,219	83.65%	\$ 2,848,187	70.17%	\$ 547,031	16.11%	
<u>Lake Preston</u>								
341.00 Structures and Improvements	\$ 233,982	\$ 196,182	83.84%	\$ 165,481	70.72%	\$ 30,701	15.65%	
342.00 Fuel Holders and Accessories	328,705	269,649	82.03%	226,389	68.87%	43,260	16.04%	
343.00 Prime Movers	3,282,642	2,775,014	84.54%	2,353,269	71.69%	421,745	15.20%	
344.00 Generators								
345.00 Accessory Electric Equipment	400,094	334,369	83.57%	283,302	70.81%	51,068	15.27%	
346.00 Miscellaneous Power Plant Equipment	21,607	20,076	92.91%	17,041	78.87%	3,035	15.12%	
Total Lake Preston	\$ 4,267,030	\$ 3,595,289	84.26%	\$ 3,045,482	71.37%	\$ 549,807	15.29%	
<u>Ashtabula Wind Generation</u>								
341.00 Structures and Improvements	\$ 3,248,290	\$ 1,304,380	40.16%	\$ 1,396,714	43.00%	\$ (92,334)	-7.08%	
342.00 Fuel Holders and Accessories								
343.00 Prime Movers								

OTTER TAIL POWER COMPANY

Depreciation Reserve Summary
Vintage Group Procedure
December 31, 2018

Statement C

Account Description A	Plant Investment B	Recorded Reserve		Computed Reserve		Reserve Imbalance	
		Amount C	Ratio D=C/B	Amount E	Ratio F=E/B	Amount G=C-E	Multiple H=G/C
344.00 Generators	106,694,618	40,936,694	38.37%	45,190,709	42.36%	(4,254,015)	-10.39%
345.00 Accessory Electric Equipment	6,479,774	2,541,775	39.23%	2,725,838	42.07%	(184,063)	-7.24%
346.00 Miscellaneous Power Plant Equipment	28,417	7,993	28.13%	8,987	31.63%	(994)	-12.44%
Total Ashtabula Wind Generation	\$ 116,451,099	\$ 44,790,842	38.46%	\$ 49,322,248	42.35%	\$ (4,531,406)	-10.12%
<u>Langdon Wind Generation</u>							
341.00 Structures and Improvements	\$ 2,484,069	\$ 1,090,576	43.90%	\$ 1,177,273	47.39%	\$ (86,697)	-7.95%
342.00 Fuel Holders and Accessories							
343.00 Prime Movers							
344.00 Generators	69,305,149	29,254,862	42.21%	32,329,151	46.65%	(3,074,289)	-10.51%
345.00 Accessory Electric Equipment	7,407,275	3,171,379	42.81%	3,424,524	46.23%	(253,144)	-7.98%
346.00 Miscellaneous Power Plant Equipment	65,210	19,529	29.95%	21,501	32.97%	(1,972)	-10.10%
Total Langdon Wind Generation	\$ 79,261,703	\$ 33,536,346	42.31%	\$ 36,952,449	46.62%	\$ (3,416,103)	-10.19%
<u>Luverne Wind Generation</u>							
341.00 Structures and Improvements	\$ 2,266,581	\$ 838,878	37.01%	\$ 901,719	39.78%	\$ (62,841)	-7.49%
342.00 Fuel Holders and Accessories							
343.00 Prime Movers							
344.00 Generators	65,851,139	23,263,326	35.33%	25,699,186	39.03%	(2,435,860)	-10.47%
345.00 Accessory Electric Equipment	4,863,837	1,798,584	36.98%	1,933,669	39.76%	(135,085)	-7.51%
346.00 Miscellaneous Power Plant Equipment	74,045	18,508	25.00%	20,583	27.80%	(2,075)	-11.21%
Total Luverne Wind Generation	\$ 73,055,602	\$ 25,919,296	35.48%	\$ 28,555,157	39.09%	\$ (2,635,861)	-10.17%
<u>Solway Combustion Turbine</u>							
341.00 Structures and Improvements	\$ 4,791,410	\$ 1,924,739	40.17%	\$ 1,907,687	39.81%	\$ 17,052	0.89%
342.00 Fuel Holders and Accessories	1,003,596	448,699	44.71%	441,981	44.04%	6,717	1.50%
343.00 Prime Movers	22,529,502	9,224,929	40.95%	9,276,579	41.18%	(51,650)	-0.56%
344.00 Generators							
345.00 Accessory Electric Equipment	1,310,193	532,869	40.67%	548,910	41.90%	(16,041)	-3.01%
346.00 Miscellaneous Power Plant Equipment	350,326	140,119	40.00%	138,370	39.50%	1,748	1.25%
Total Solway Combustion Turbine	\$ 29,985,027	\$ 12,271,354	40.92%	\$ 12,313,528	41.07%	\$ (42,173)	-0.34%
<u>Fergus Falls Control Center</u>							
341.00 Structures and Improvements	\$ -	\$ -		\$ -		\$ -	
342.00 Fuel Holders and Accessories							
343.00 Prime Movers	591,638	385,733	65.20%	417,320	70.54%	(31,587)	-8.19%
344.00 Generators							
345.00 Accessory Electric Equipment							
346.00 Miscellaneous Power Plant Equipment							
Total Fergus Falls Control Center	\$ 591,638	\$ 385,733	65.20%	\$ 417,320	70.54%	\$ (31,587)	-8.19%

OTTER TAIL POWER COMPANY
Average Net Salvage

Statement D

Account Description A	Plant Investment			Salvage Rate		Net Salvage			Average Rate J=I/B
	Additions B	Retirements C	Survivors D=B-C	Realized E	Future F	Realized G=E*C	Future H=F*D	Total I=G+H	
INTANGIBLE PLANT									
303.91 Software - 5 Year	\$ 13,041,197	\$ 4,211,527	\$ 8,829,670			\$ -	\$ -	\$ -	
303.92 Software - 10 Year									
Total Intangible Plant	\$ 13,041,197	\$ 4,211,527	\$ 8,829,670			\$ -	\$ -	\$ -	
STEAM PRODUCTION									
311.00 Structures and Improvements	\$ 122,158,461	\$ 2,164,849	\$ 119,993,612	-11.4%	-7.2%	\$ (246,942)	\$ (8,654,179)	\$ (8,901,122)	-7.3%
312.00 Boiler Plant Equipment	407,469,566	67,138,557	340,331,009	-18.2%	-7.9%	(12,242,361)	(26,747,651)	(38,990,012)	-9.6%
312.10 Boiler Plant Equipment - Landfill	10,441,556	27,500	10,414,056						
314.00 Turbogenerator Units	82,627,759	16,815,257	65,812,502	18.5%	-8.7%	3,106,374	(5,719,331)	(2,612,956)	-3.2%
315.00 Accessory Electric Equipment	37,495,444	1,947,346	35,548,098	-6.5%	-7.6%	(126,458)	(2,714,469)	(2,840,927)	-7.6%
316.00 Miscellaneous Power Plant Equipment	9,532,634	2,979,890	6,552,744	7.5%	-8.6%	223,905	(565,698)	(341,793)	-3.6%
Total Steam Production Plant	\$ 669,725,420	\$ 91,073,399	\$ 578,652,021	-10.2%	-7.7%	\$ (9,285,482)	\$ (44,401,327)	\$ (53,686,809)	-8.0%
HYDRAULIC PRODUCTION									
331.00 Structures and Improvements	\$ 363,124	\$ 11,412	\$ 351,712	-2.1%		\$ (240)	\$ -	\$ (240)	-0.1%
332.00 Reservoirs, Dams and Waterways	4,361,532	84,477	4,277,055	86.0%		72,610		72,610	1.7%
333.00 Water Wheels, Turbines & Generators	1,397,890	24,023	1,373,867	-438.0%		(105,221)		(105,221)	-7.5%
334.00 Accessory Electric Equipment	616,329	19,226	597,103	16.1%		3,086		3,086	0.5%
335.00 Miscellaneous Power Plant Equipment	512,735	77,440	435,295	0.6%		461		461	0.1%
Total Hydraulic Production Plant	\$ 7,251,610	\$ 216,578	\$ 7,035,032	-13.5%		\$ (29,303)	\$ -	\$ (29,303)	-0.4%
OTHER PRODUCTION									
341.00 Structures and Improvements	\$ 13,364,751	\$ 28,907	\$ 13,335,844	-4.5%	-3.4%	\$ (1,302)	\$ (449,928)	\$ (451,230)	-3.4%
342.00 Fuel Holders and Accessories	1,970,922	222,657	1,748,265	-11.1%	-3.6%	(24,683)	(62,276)	(86,960)	-4.4%
343.00 Prime Movers	34,600,981	1,244,672	33,356,309	-16.3%	-3.0%	(202,659)	(1,004,226)	(1,206,885)	-3.5%
344.00 Generators	246,249,308	4,398,402	241,850,906	-4.6%	-4.3%	(201,361)	(10,285,040)	(10,486,401)	-4.3%
345.00 Accessory Electric Equipment	20,793,765	105,002	20,688,763	7.2%	-4.2%	7,612	(864,257)	(856,645)	-4.1%
346.00 Miscellaneous Power Plant Equipment	682,303	54,033	628,270	25.5%	-3.2%	13,800	(19,920)	(6,120)	-0.9%
Total Other Production Plant	\$ 317,662,030	\$ 6,053,673	\$ 311,608,357	-6.7%	-4.1%	\$ (408,594)	\$ (12,685,648)	\$ (13,094,241)	-4.1%
TRANSMISSION PLANT									
353.00 Station Equipment	\$ 136,427,260	\$ 11,311,090	\$ 125,116,170	36.4%	-5.0%	\$ 4,117,237	\$ (6,255,809)	\$ (2,138,572)	-1.6%
354.00 Towers and Fixtures	114,207,269		114,207,269		-10.0%		(11,420,727)	(11,420,727)	-10.0%
355.00 Poles and Fixtures	129,890,527	6,161,974	123,728,553	43.3%	-50.0%	2,668,135	(61,864,277)	(59,196,142)	-45.6%
356.00 Overhead Conductors and Devices	137,612,679	6,273,666	131,339,013	38.4%	-30.0%	2,409,088	(39,401,704)	(36,992,616)	-26.9%
358.00 Underground Conductors and Devices	77,956	495	77,461	-368.9%	-5.0%	(1,826)	(3,873)	(5,699)	-7.3%
Total Transmission Plant	\$ 518,215,691	\$ 23,747,225	\$ 494,468,466	38.7%	-24.1%	\$ 9,192,633	\$ (118,946,389)	\$ (109,753,756)	-21.2%

OTTER TAIL POWER COMPANY
Average Net Salvage

Statement D

Account Description	Plant Investment			Salvage Rate		Net Salvage		Total	Average Rate
	Additions	Retirements	Survivors	Realized	Future	Realized	Future		
A	B	C	D=B-C	E	F	G=E/C	H=F/D	I=G+H	J=I/B
DISTRIBUTION PLANT									
362.00 Station Equipment	\$ 103,818,682	\$ 21,598,387	\$ 82,220,295	13.6%	5.0%	\$ 2,937,381	\$ 4,111,015	\$ 7,048,395	6.8%
364.00 Poles, Towers and Fixtures	78,921,043	3,557,800	75,363,243	-111.5%	-100.0%	(3,966,947)	(75,363,243)	(79,330,190)	-100.5%
365.00 Overhead Conductors and Devices	57,586,822	4,427,559	53,159,263	-72.4%	-75.0%	(3,205,553)	(39,869,447)	(43,075,000)	-74.8%
367.00 Underground Conductors and Devices	88,081,064	5,474,180	82,606,884	-2.2%	-5.0%	(120,432)	(4,130,344)	(4,250,776)	-4.8%
368.00 Line Transformers	117,194,846	13,777,415	103,417,431	35.5%	30.0%	4,890,982	31,025,229	35,916,212	30.6%
369.00 Overhead Services	14,070,126	782,948	13,287,178	-268.9%	-200.0%	(2,105,347)	(26,574,356)	(28,679,703)	-203.8%
369.10 Underground Services	44,195,759	646,965	43,548,794	-44.9%	-20.0%	(290,487)	(8,709,759)	(9,000,246)	-20.4%
370.00 Meters	35,275,029	8,108,866	27,166,163	0.6%		48,653		48,653	0.1%
370.10 Load Management Switches	11,115,823	2,208,196	8,907,627						
371.20 Other Private Lighting	9,155,097	3,725,679	5,429,418	6.7%		249,620		249,620	2.7%
373.00 Street Lighting and Signal Systems	10,143,005	4,176,413	5,966,592	-2.2%	-5.0%	(91,881)	(298,330)	(390,211)	-3.8%
Total Distribution Plant	\$ 569,557,296	\$ 68,484,408	\$ 501,072,888	-2.4%	-23.9%	\$ (1,654,011)	\$ (119,809,235)	\$ (121,463,245)	-21.3%
GENERAL PLANT									
Depreciable									
390.00 Structures and Improvements	\$ 24,668,951	\$ 4,438,184	\$ 20,230,767	26.8%	5.0%	\$ 1,189,433	\$ 1,011,538	\$ 2,200,972	8.9%
390.10 General Office Buildings	7,345,409	1,278,936	6,066,473	-15.4%	47.3%	(196,956)	2,869,442	2,672,486	36.4%
390.20 Fleet Service Center Building	1,035,431	97,753	937,678	-47.0%	31.2%	(45,944)	292,556	246,612	23.8%
390.30 Central Stores Building	4,346,915	96,556	4,250,359	-7.2%	76.2%	(6,952)	3,238,774	3,231,822	74.3%
396.00 Power Operated Equipment	1,587,439	664,877	922,562	20.0%	5.0%	132,975	46,128	179,104	11.3%
397.40 Communication Towers	1,999,048	137,810	1,861,238	13.7%	-5.0%	18,880	(93,062)	(74,182)	-3.7%
Total Depreciable	\$ 40,983,193	\$ 6,714,116	\$ 34,269,077	16.3%	21.5%	\$ 1,091,437	\$ 7,365,375	\$ 8,456,812	20.6%
Amortizable									
391.00 Office Furniture	\$ 6,166,204	\$ 5,349,894	\$ 816,310			\$ -	\$ -	\$ -	
391.10 Office Equipment	3,082,555	2,673,768	408,787						
391.20 Duplicating Equipment	2,280,327	1,976,769	303,558						
391.50 Computer Systems	16,604,918	13,088,088	3,516,830						
391.60 Computer Related Equipment	11,541,304	10,506,771	1,034,533						
394.00 Tools, Shop and Garage Equipment	7,905,195	3,856,298	4,048,897						
394.20 Automated Meter Reading Equipment	2,371,935	1,479,853	892,082						
397.00 Communication Equipment	4,061,053	1,338,685	2,722,368						
397.10 Radio Telecommunication Equipment	6,541,973	5,509,130	1,032,843						
397.20 Microwave Equipment	8,088,862	3,938,242	4,150,620						
397.30 Radio Load Control Equipment	1,912,977	1,453,634	459,343						
Total Amortizable	\$ 70,557,303	\$ 51,171,132	\$ 19,386,171			\$ -	\$ -	\$ -	
Total General Plant	\$ 111,540,496	\$ 57,885,248	\$ 53,655,248	1.9%	13.7%	\$ 1,091,437	\$ 7,365,375	\$ 8,456,812	7.6%
TOTAL UTILITY	\$ 2,206,993,740	\$ 251,672,058	\$ 1,955,321,682	-0.4%	-14.8%	\$ (1,093,319)	\$ (288,477,223)	\$ (289,570,542)	-13.1%

OTTER TAIL POWER COMPANY

Average Net Salvage

Statement D

Account Description A	Plant Investment			Salvage Rate		Net Salvage		Average Rate J=I/B	
	Additions B	Retirements C	Survivors D=B-C	Realized E	Future F	Realized G=E*C	Future H=F*D		Total I=G+H
STEAM PRODUCTION									
Big Stone									
311.00 Structures and Improvements	\$ 80,693,348	\$ 1,086,027	\$ 79,607,321	-10.1%	-5.8%	\$ (109,689)	\$ (4,617,225)	\$ (4,726,913)	-5.9%
312.00 Boiler Plant Equipment	243,986,976	44,644,039	199,342,937	-21.8%	-5.8%	(9,732,401)	(11,561,890)	(21,294,291)	-8.7%
312.10 Boiler Plant Equipment - Landfill									
314.00 Turbogenerator Units	36,953,137	6,776,198	30,176,939	15.1%	-5.8%	1,023,206	(1,750,262)	(727,057)	-2.0%
315.00 Accessory Electric Equipment	21,822,506	964,371	20,858,135	-14.8%	-5.8%	(142,727)	(1,209,772)	(1,352,499)	-6.2%
316.00 Miscellaneous Power Plant Equipment	4,734,127	1,528,096	3,206,031	1.6%	-5.8%	24,450	(185,950)	(161,500)	-3.4%
Total Big Stone	\$ 388,190,094	\$ 54,998,731	\$ 333,191,363	-16.2%	-5.8%	\$ (8,937,161)	\$ (19,325,099)	\$ (28,262,260)	-7.3%
Hoot Lake Units 2 and 3									
311.00 Structures and Improvements	\$ 6,332,429	\$ 238,662	\$ 6,093,767	-133.9%	-15.6%	\$ (319,568)	\$ (950,628)	\$ (1,270,196)	-20.1%
312.00 Boiler Plant Equipment	45,176,497	7,345,678	37,830,819	-38.5%	-15.6%	(2,828,086)	(5,901,608)	(8,729,694)	-19.3%
312.10 Boiler Plant Equipment - Landfill	10,441,556	27,500	10,414,056						
314.00 Turbogenerator Units	13,106,070	1,562,625	11,543,445	-2.3%	-15.6%	(35,940)	(1,800,777)	(1,836,718)	-14.0%
315.00 Accessory Electric Equipment	2,802,942	36,269	2,766,673	-148.3%	-15.6%	(53,787)	(431,601)	(485,388)	-17.3%
316.00 Miscellaneous Power Plant Equipment	1,363,460	173,406	1,190,054	41.3%	-15.6%	71,617	(185,648)	(114,032)	-8.4%
Total Hoot Lake Units 2 and 3	\$ 79,222,954	\$ 9,384,140	\$ 69,838,814	-33.7%	-13.3%	\$ (3,165,765)	\$ (9,270,262)	\$ (12,436,027)	-15.7%
Coyote									
311.00 Structures and Improvements	\$ 35,132,684	\$ 840,160	\$ 34,292,524	21.7%	-9.0%	\$ 182,315	\$ (3,086,327)	\$ (2,904,012)	-8.3%
312.00 Boiler Plant Equipment	118,306,093	15,148,840	103,157,253	2.1%	-9.0%	318,126	(9,284,153)	(8,966,027)	-7.6%
312.10 Boiler Plant Equipment - Landfill									
314.00 Turbogenerator Units	32,568,552	8,476,434	24,092,118	25.0%	-9.0%	2,119,109	(2,168,291)	(49,182)	-0.2%
315.00 Accessory Electric Equipment	12,869,996	946,706	11,923,290	7.4%	-9.0%	70,056	(1,073,096)	(1,003,040)	-7.8%
316.00 Miscellaneous Power Plant Equipment	3,435,047	1,278,388	2,156,659	10.0%	-9.0%	127,839	(194,099)	(66,261)	-1.9%
Total Coyote	\$ 202,312,372	\$ 26,690,528	\$ 175,621,844	10.6%	-9.0%	\$ 2,817,444	\$ (15,805,966)	\$ (12,988,522)	-6.4%
HYDRAULIC PRODUCTION									
Hoot Lake									
331.00 Structures and Improvements	\$ 69,354	\$ -	\$ 69,354			\$ -	\$ -	\$ -	
332.00 Reservoirs, Dams and Waterways	305,758	8,084	297,674	-2.5%		(202)		(202)	-0.1%
333.00 Water Wheels, Turbines & Generators	104,195		104,195						
334.00 Accessory Electric Equipment	34,651		34,651						
335.00 Miscellaneous Power Plant Equipment	48,801		48,801						
Total Hoot Lake	\$ 562,759	\$ 8,084	\$ 554,675	-2.5%		\$ (202)	\$ -	\$ (202)	
Wright									
331.00 Structures and Improvements	\$ 19,026	\$ -	\$ 19,026			\$ -	\$ -	\$ -	
332.00 Reservoirs, Dams and Waterways	901,305	8,594	892,711	2843.7%		244,388		244,388	27.1%
333.00 Water Wheels, Turbines & Generators	552,421	7,029	545,392	-284.6%		(20,005)		(20,005)	-3.6%
334.00 Accessory Electric Equipment	203,915	1,363	202,552	334.2%		4,555		4,555	2.2%
335.00 Miscellaneous Power Plant Equipment	127,250	12,032	115,218	-7.9%		(951)		(951)	-0.7%
Total Wright	\$ 1,803,917	\$ 29,018	\$ 1,774,899	785.7%		\$ 227,988	\$ -	\$ 227,988	12.6%

OTTER TAIL POWER COMPANY

Average Net Salvage

Statement D

Account Description A	Plant Investment			Salvage Rate		Net Salvage		Total I=G+H	Average Rate J=I/B
	Additions B	Retirements C	Survivors D=B-C	Realized E	Future F	Realized G=E+C	Future H=F+D		
<u>Pisgah</u>									
331.00 Structures and Improvements	\$ 12,118	\$ -	\$ 12,118			\$ -	\$ -	\$ -	
332.00 Reservoirs, Dams and Waterways	376,297		376,297						
333.00 Water Wheels, Turbines & Generators	161,200	1,468	159,732	-1645.1%		(24,150)		(24,150)	-15.0%
334.00 Accessory Electric Equipment	114,648	12,161	102,487	-2.4%		(292)		(292)	-0.3%
335.00 Miscellaneous Power Plant Equipment	84,563	21,819	62,744	-2.5%		(545)		(545)	-0.6%
Total Pisgah	\$ 748,826	\$ 35,448	\$ 713,378	-70.5%		\$ (24,987)	\$ -	\$ (24,987)	-3.3%
<u>Dayton Hollow</u>									
331.00 Structures and Improvements	\$ 16,269	\$ -	\$ 16,269			\$ -	\$ -	\$ -	
332.00 Reservoirs, Dams and Waterways	1,335,655	44,264	1,291,391	-309.1%		(136,820)		(136,820)	-10.2%
333.00 Water Wheels, Turbines & Generators	239,295	12,544	226,751	-195.3%		(24,498)		(24,498)	-10.2%
334.00 Accessory Electric Equipment	193,849	507	193,342	41.7%		211		211	0.1%
335.00 Miscellaneous Power Plant Equipment	119,243	8,084	111,159	-2.5%		(202)		(202)	-0.2%
Total Dayton Hollow	\$ 1,904,311	\$ 65,399	\$ 1,838,912	-246.7%		\$ (161,309)	\$ -	\$ (161,309)	-8.5%
<u>Taplin Gorge</u>									
331.00 Structures and Improvements	\$ 35,140	\$ -	\$ 35,140			\$ -	\$ -	\$ -	
332.00 Reservoirs, Dams and Waterways	620,762	18,000	602,762	-166.7%		(30,006)		(30,006)	-4.8%
333.00 Water Wheels, Turbines & Generators	15,110		15,110						
334.00 Accessory Electric Equipment	62,427	3,732	58,695	-4.7%		(175)		(175)	-0.3%
335.00 Miscellaneous Power Plant Equipment	130,503	34,200	96,303	6.7%		2,291		2,291	1.8%
Total Taplin Gorge	\$ 863,942	\$ 55,932	\$ 808,010	-49.9%		\$ (27,890)	\$ -	\$ (27,890)	-3.2%
<u>Bemidji</u>									
331.00 Structures and Improvements	\$ 211,217	\$ 11,412	\$ 199,805	-2.1%		\$ (240)	\$ -	\$ (240)	-0.1%
332.00 Reservoirs, Dams and Waterways	821,755	5,535	816,220	-85.8%		(4,749)		(4,749)	-0.6%
333.00 Water Wheels, Turbines & Generators	325,669	2,982	322,687	-1226.3%		(36,568)		(36,568)	-11.2%
334.00 Accessory Electric Equipment	6,839	1,463	5,376	-82.9%		(1,213)		(1,213)	-17.7%
335.00 Miscellaneous Power Plant Equipment	2,375	1,305	1,070	-10.1%		(132)		(132)	-5.5%
Total Bemidji	\$ 1,367,855	\$ 22,697	\$ 1,345,158	-189.0%		\$ (42,902)	\$ -	\$ (42,902)	-3.1%
OTHER PRODUCTION									
<u>Jamestown</u>									
341.00 Structures and Improvements	\$ 317,686	\$ 6,174	\$ 311,512	-15.2%	-5.9%	\$ (938)	\$ (18,379)	\$ (19,318)	-6.1%
342.00 Fuel Holders and Accessories	593,813	177,849	415,964	-12.6%	-5.9%	(22,488)	(24,542)	(47,029)	-7.9%
343.00 Prime Movers	7,502,045	549,518	6,952,527	-23.6%	-5.9%	(129,431)	(410,199)	(539,630)	-7.2%
344.00 Generators									
345.00 Accessory Electric Equipment	263,937	36,347	227,590	22.6%	-5.9%	8,205	(13,428)	(5,222)	-2.0%
346.00 Miscellaneous Power Plant Equipment	139,078	50,413	88,665	22.2%	-5.9%	11,201	(5,231)	5,970	4.3%
Total Jamestown	\$ 8,816,559	\$ 820,301	\$ 7,996,258	-16.3%	-5.9%	\$ (133,451)	\$ (471,779)	\$ (605,230)	-6.9%

OTTER TAIL POWER COMPANY
Average Net Salvage

Statement D

Account Description A	Plant Investment			Salvage Rate		Net Salvage		Average Rate J=I/B	
	Additions B	Retirements C	Survivors D=B-C	Realized E	Future F	Realized G=E+C	Future H=F+D		Total I=G+H
Jamestown Unit 1									
341.00 Structures and Improvements	\$ 292,833	\$ 6,174	\$ 286,659	-15.2%	-5.9%	\$ (938)	\$ (16,913)	\$ (17,851)	-6.1%
342.00 Fuel Holders and Accessories	407,203	28,008	379,195	-51.4%	-5.9%	(14,396)	(22,373)	(36,769)	-9.0%
343.00 Prime Movers	3,322,728	291,862	3,030,866	-33.4%	-5.9%	(97,482)	(178,821)	(276,303)	-8.3%
344.00 Generators									
345.00 Accessory Electric Equipment	157,825	2,553	155,272	19.6%	-5.9%	500	(9,161)	(8,661)	-5.5%
346.00 Miscellaneous Power Plant Equipment	112,036	26,574	85,462	26.9%	-5.9%	7,148	(5,042)	2,106	1.9%
Total Jamestown Unit 1	\$ 4,292,625	\$ 355,171	\$ 3,937,454	-29.6%	-5.9%	\$ (105,168)	\$ (232,310)	\$ (337,477)	-7.9%
Jamestown Unit 2									
341.00 Structures and Improvements	\$ 24,853	\$ -	\$ 24,853		-5.9%	\$ -	\$ (1,466)	\$ (1,466)	-5.9%
342.00 Fuel Holders and Accessories	186,610	149,841	36,769	-5.4%	-5.9%	(8,091)	(2,169)	(10,261)	-5.5%
343.00 Prime Movers	4,179,317	257,656	3,921,661	-12.4%	-5.9%	(31,949)	(231,378)	(263,327)	-6.3%
344.00 Generators									
345.00 Accessory Electric Equipment	106,112	33,794	72,318	22.8%	-5.9%	7,705	(4,267)	3,438	3.2%
346.00 Miscellaneous Power Plant Equipment	27,042	23,839	3,203	17.0%	-5.9%	4,053	(189)	3,864	14.3%
Total Jamestown Unit 2	\$ 4,523,934	\$ 465,130	\$ 4,058,804	-6.1%	-5.9%	\$ (28,283)	\$ (239,469)	\$ (267,753)	-5.9%
Lake Preston									
341.00 Structures and Improvements	\$ 233,982	\$ -	\$ 233,982		-6.9%	\$ -	\$ (16,145)	\$ (16,145)	-6.9%
342.00 Fuel Holders and Accessories	373,513	44,808	328,705	-4.9%	-6.9%	(2,196)	(22,681)	(24,876)	-6.7%
343.00 Prime Movers	3,514,567	231,925	3,282,642	-4.6%	-6.9%	(10,669)	(226,502)	(237,171)	-6.7%
344.00 Generators									
345.00 Accessory Electric Equipment	418,651	18,557	400,094	-3.2%	-6.9%	(594)	(27,606)	(28,200)	-6.7%
346.00 Miscellaneous Power Plant Equipment	25,227	3,620	21,607	71.8%	-6.9%	2,599	(1,491)	1,108	4.4%
Total Lake Preston	\$ 4,565,940	\$ 298,910	\$ 4,267,030	-3.6%	-6.9%	\$ (10,859)	\$ (294,425)	\$ (305,284)	-6.7%
Ashtabula Wind Generation									
341.00 Structures and Improvements	\$ 3,248,290	\$ -	\$ 3,248,290		-3.4%	\$ -	\$ (110,442)	\$ (110,442)	-3.4%
342.00 Fuel Holders and Accessories									
343.00 Prime Movers									
344.00 Generators	108,899,449	2,204,831	106,694,618		-3.4%		(3,627,617)	(3,627,617)	-3.3%
345.00 Accessory Electric Equipment	6,481,754	1,980	6,479,774		-3.4%		(220,312)	(220,312)	-3.4%
346.00 Miscellaneous Power Plant Equipment	28,417		28,417		-3.4%		(966)	(966)	-3.4%
Total Ashtabula Wind Generation	\$ 118,657,910	\$ 2,206,811	\$ 116,451,099		-3.4%	\$ -	\$ (3,959,337)	\$ (3,959,337)	-3.3%
Langdon Wind Generation									
341.00 Structures and Improvements	\$ 2,484,069	\$ -	\$ 2,484,069		-4.0%	\$ -	\$ (99,363)	\$ (99,363)	-4.0%
342.00 Fuel Holders and Accessories									
343.00 Prime Movers									
344.00 Generators	70,591,008	1,285,859	69,305,149	-0.2%	-4.0%	(2,572)	(2,772,206)	(2,774,778)	-3.9%
345.00 Accessory Electric Equipment	7,407,275		7,407,275		-4.0%		(296,291)	(296,291)	-4.0%
346.00 Miscellaneous Power Plant Equipment	65,210		65,210		-4.0%		(2,608)	(2,608)	-4.0%
Total Langdon Wind Generation	\$ 80,547,562	\$ 1,285,859	\$ 79,261,703		-0.2%	\$ (2,572)	\$ (3,170,468)	\$ (3,173,040)	-3.9%

OTTER TAIL POWER COMPANY

Average Net Salvage

Statement D

Account Description A	Plant Investment			Salvage Rate		Net Salvage		Total I=G+H	Average Rate J=I/B
	Additions B	Retirements C	Survivors D=B-C	Realized E	Future F	Realized G=E*C	Future H=F*D		
<u>Luverne Wind Generation</u>									
341.00 Structures and Improvements	\$ 2,266,581	\$ -	\$ 2,266,581		-5.9%	\$ -	\$ (133,728)	\$ (133,728)	-5.9%
342.00 Fuel Holders and Accessories									
343.00 Prime Movers									
344.00 Generators	66,758,851	907,712	65,851,139	-21.9%	-5.9%	(198,789)	(3,885,217)	(4,084,006)	-6.1%
345.00 Accessory Electric Equipment	4,863,837		4,863,837		-5.9%		(286,966)	(286,966)	-5.9%
346.00 Miscellaneous Power Plant Equipment	74,045		74,045		-5.9%		(4,369)	(4,369)	-5.9%
Total Luverne Wind Generation	\$ 73,963,314	\$ 907,712	\$ 73,055,602	-21.9%	-5.9%	\$ (198,789)	\$ (4,310,281)	\$ (4,509,069)	-6.1%
<u>Solway Combustion Turbine</u>									
341.00 Structures and Improvements	\$ 4,814,143	\$ 22,733	\$ 4,791,410	-1.6%	-1.5%	\$ (364)	\$ (71,871)	\$ (72,235)	-1.5%
342.00 Fuel Holders and Accessories	1,003,596		1,003,596		-1.5%		(15,054)	(15,054)	-1.5%
343.00 Prime Movers	22,933,395	403,893	22,529,502	-16.4%	-1.5%	(66,238)	(337,943)	(404,181)	-1.8%
344.00 Generators									
345.00 Accessory Electric Equipment	1,358,311	48,118	1,310,193		-1.5%		(19,653)	(19,653)	-1.4%
346.00 Miscellaneous Power Plant Equipment	350,326		350,326		-1.5%		(5,255)	(5,255)	-1.5%
Total Solway Combustion Turbine	\$ 30,459,771	\$ 474,744	\$ 29,985,027	-14.0%	-1.5%	\$ (66,602)	\$ (449,775)	\$ (516,378)	-1.7%
<u>Fergus Falls Control Center</u>									
341.00 Structures and Improvements	\$ -	\$ -	\$ -			\$ -	\$ -	\$ -	
342.00 Fuel Holders and Accessories									
343.00 Prime Movers	650,974	59,336	591,638	6.2%	-5.0%	3,679	(29,582)	(25,903)	-4.0%
344.00 Generators									
345.00 Accessory Electric Equipment									
346.00 Miscellaneous Power Plant Equipment									
Total Fergus Falls Control Center	\$ 650,974	\$ 59,336	\$ 591,638	6.2%	-5.0%	\$ 3,679	\$ (29,582)	\$ (25,903)	-4.0%

OTTER TAIL POWER COMPANY

Statement E

Future Net Salvage
Steam and Other Production

Account Description	12/31/18 Plant Investment	Future Retirements		Net Salvage Rate		Future Net Salvage		Total	Future Rate
		Interim	Final	Interim	Final	Interim	Final		
A	B	C	D=B/C	E	F	G=C*E	H=D*F	I=G+H	J=I/B
STEAM PRODUCTION									
Big Stone									
311.00 Structures and Improvements	\$ 79,607,321	\$ 5,565,585	\$ 74,041,736	-10.0%	-5.5%	\$ (556,559)	\$ (4,045,381)	\$ (4,601,940)	-5.8%
312.00 Boiler Plant Equipment	199,342,937	13,846,808	185,496,129	-10.0%	-5.5%	(1,384,681)	(10,134,859)	(11,519,540)	-5.8%
312.10 Boiler Plant Equipment - Landfill									
314.00 Turbogenerator Units	30,176,939	2,158,054	28,018,885	-10.0%	-5.5%	(215,805)	(1,530,854)	(1,746,659)	-5.8%
315.00 Accessory Electric Equipment	20,858,135	1,472,148	19,385,987	-10.0%	-5.5%	(147,215)	(1,059,183)	(1,206,397)	-5.8%
316.00 Miscellaneous Power Plant Equipment	3,206,031	228,624	2,977,407	-10.0%	-5.5%	(22,862)	(162,675)	(185,537)	-5.8%
Total Big Stone	\$ 333,191,363	\$ 23,271,219	\$ 309,920,144	-10.0%	-5.5%	\$ (2,327,122)	\$ (16,932,952)	\$ (19,260,074)	-5.8%
Hoot Lake Units 2 and 3									
311.00 Structures and Improvements	\$ 6,093,767	\$ 34,763	\$ 6,059,004	-10.0%	-15.6%	\$ (3,476)	\$ (946,897)	\$ (950,374)	-15.6%
312.00 Boiler Plant Equipment	37,830,819	201,418	37,629,401	-10.0%	-15.6%	(20,142)	(5,880,700)	(5,900,842)	-15.6%
312.10 Boiler Plant Equipment - Landfill	10,414,056	845,884	9,568,172						
314.00 Turbogenerator Units	11,543,445	63,985	11,479,460	-10.0%	-15.6%	(6,398)	(1,794,003)	(1,800,402)	-15.6%
315.00 Accessory Electric Equipment	2,766,673	15,663	2,751,010	-10.0%	-15.6%	(1,566)	(429,926)	(431,492)	-15.6%
316.00 Miscellaneous Power Plant Equipment	1,190,054	6,223	1,183,831	-10.0%	-15.6%	(622)	(185,008)	(185,631)	-15.6%
Total Hoot Lake Units 2 and 3	\$ 69,838,814	\$ 1,167,936	\$ 68,670,878	-2.8%	-15.6%	\$ (32,205)	\$ (9,236,535)	\$ (9,268,741)	-13.3%
Coyote									
311.00 Structures and Improvements	\$ 34,292,524	\$ 2,060,115	\$ 32,232,409	-10.0%	-8.9%	\$ (206,011)	\$ (2,870,877)	\$ (3,076,888)	-9.0%
312.00 Boiler Plant Equipment	103,157,253	6,104,197	97,053,056	-10.0%	-8.9%	(610,420)	(8,644,323)	(9,254,743)	-9.0%
312.10 Boiler Plant Equipment - Landfill									
314.00 Turbogenerator Units	24,092,118	1,407,650	22,684,468	-10.0%	-8.9%	(140,765)	(2,020,461)	(2,161,226)	-9.0%
315.00 Accessory Electric Equipment	11,923,290	712,041	11,211,249	-10.0%	-8.9%	(71,204)	(998,564)	(1,069,768)	-9.0%
316.00 Miscellaneous Power Plant Equipment	2,156,659	125,172	2,031,487	-10.0%	-8.9%	(12,517)	(180,941)	(193,458)	-9.0%
Total Coyote	\$ 175,621,844	\$ 10,409,174	\$ 165,212,670	-10.0%	-8.9%	\$ (1,040,917)	\$ (14,715,165)	\$ (15,756,082)	-9.0%
OTHER PRODUCTION									
Jamestown									
341.00 Structures and Improvements	\$ 311,512	\$ 11,752	\$ 299,760	-5.0%	-5.9%	\$ (588)	\$ (17,720)	\$ (18,307)	-5.9%
342.00 Fuel Holders and Accessories	415,964	15,493	400,471	-5.0%	-5.9%	(775)	(23,673)	(24,448)	-5.9%
343.00 Prime Movers	6,952,527	266,510	6,686,017	-5.0%	-5.9%	(13,326)	(395,234)	(408,560)	-5.9%
344.00 Generators									
345.00 Accessory Electric Equipment	227,590	8,688	218,902	-5.0%	-5.9%	(434)	(12,940)	(13,374)	-5.9%
346.00 Miscellaneous Power Plant Equipment	88,665	3,197	85,468	-5.0%	-5.9%	(160)	(5,052)	(5,212)	-5.9%
Total Jamestown	\$ 7,996,258	\$ 305,642	\$ 7,690,616	-5.0%	-5.9%	\$ (15,282)	\$ (454,620)	\$ (469,902)	-5.9%

OTTER TAIL POWER COMPANY

Future Net Salvage
Steam and Other Production

Statement E

Account Description A	12/31/18 Plant Investment B	Future Retirements		Net Salvage Rate		Future Net Salvage			Future Rate J=I/B
		Interim C	Final D=B-C	Interim E	Final F	Interim G=C*E	Final H=D*F	Total I=G+H	
Lake Preston									
341.00 Structures and Improvements	\$ 233,982	\$ 8,976	\$ 225,006	-5.0%	-7.0%	\$ (449)	\$ (15,729)	\$ (16,177)	-6.9%
342.00 Fuel Holders and Accessories	328,705	12,545	316,160	-5.0%	-7.0%	(627)	(22,100)	(22,728)	-6.9%
343.00 Prime Movers	3,282,642	126,279	3,156,363	-5.0%	-7.0%	(6,314)	(220,639)	(226,953)	-6.9%
344.00 Generators									
345.00 Accessory Electric Equipment	400,094	15,390	384,704	-5.0%	-7.0%	(770)	(26,892)	(27,661)	-6.9%
346.00 Miscellaneous Power Plant Equipment	21,607	833	20,774	-5.0%	-7.0%	(42)	(1,452)	(1,494)	-6.9%
Total Lake Preston	\$ 4,267,030	\$ 164,023	\$ 4,103,007	-5.0%	-7.0%	\$ (8,201)	\$ (286,812)	\$ (295,013)	-6.9%
Solway Combustion Turbine									
341.00 Structures and Improvements	\$ 4,791,410	\$ 235,744	\$ 4,555,666	-5.0%	-1.3%	\$ (11,787)	\$ (61,317)	\$ (73,104)	-1.5%
342.00 Fuel Holders and Accessories	1,003,596	49,569	954,027	-5.0%	-1.3%	(2,478)	(12,841)	(15,319)	-1.5%
343.00 Prime Movers	22,529,502	1,110,199	21,419,303	-5.0%	-1.3%	(55,510)	(288,292)	(343,802)	-1.5%
344.00 Generators									
345.00 Accessory Electric Equipment	1,310,193	64,587	1,245,606	-5.0%	-1.3%	(3,229)	(16,765)	(19,995)	-1.5%
346.00 Miscellaneous Power Plant Equipment	350,326	17,211	333,115	-5.0%	-1.3%	(861)	(4,484)	(5,344)	-1.5%
Total Solway Combustion Turbine	\$ 29,985,027	\$ 1,477,309	\$ 28,507,718	-5.0%	-1.3%	\$ (73,865)	\$ (383,699)	\$ (457,564)	-1.5%
Ashtabula Wind Generation									
341.00 Structures and Improvements	\$3,248,290	\$116,755	\$ 3,131,535	-5.0%	-3.4%	\$ (5,838)	\$ (106,086)	\$ (111,924)	-3.4%
342.00 Fuel Holders and Accessories					-3.4%				
343.00 Prime Movers					-3.4%				
344.00 Generators	106,694,618	3,833,507	102,861,111	-5.0%	-3.4%	(191,675)	(3,484,605)	(3,676,281)	-3.4%
345.00 Accessory Electric Equipment	6,479,774	232,751	6,247,023	-5.0%	-3.4%	(11,638)	(211,629)	(223,267)	-3.4%
346.00 Miscellaneous Power Plant Equipment	28,417	1,011	27,406	-5.0%	-3.4%	(51)	(928)	(979)	-3.4%
Total Ashtabula Wind Generation	\$ 116,451,099	\$ 4,184,025	\$ 112,267,074	-5.0%	-3.4%	\$ (209,201)	\$ (3,803,249)	\$ (4,012,451)	-3.4%
Langdon Wind Generation									
341.00 Structures and Improvements	\$2,484,069	\$83,122	\$ 2,400,947	-5.0%	-4.0%	\$ (4,156)	\$ (95,657)	\$ (99,813)	-4.0%
342.00 Fuel Holders and Accessories					-4.0%				
343.00 Prime Movers					-4.0%				
344.00 Generators	69,305,149	2,318,001	66,987,148	-5.0%	-4.0%	(115,900)	(2,668,861)	(2,784,761)	-4.0%
345.00 Accessory Electric Equipment	7,407,275	247,609	7,159,666	-5.0%	-4.0%	(12,380)	(285,251)	(297,631)	-4.0%
346.00 Miscellaneous Power Plant Equipment	65,210	2,154	63,056	-5.0%	-4.0%	(108)	(2,512)	(2,620)	-4.0%
Total Langdon Wind Generation	\$ 79,261,703	\$ 2,650,886	\$ 76,610,817	-5.0%	-4.0%	\$ (132,544)	\$ (3,052,281)	\$ (3,184,826)	-4.0%

OTTER TAIL POWER COMPANY

Statement E

Future Net Salvage
Steam and Other Production

Account Description A	12/31/18 Plant Investment B	Future Retirements		Net Salvage Rate		Future Net Salvage			Future Rate J=I/B
		Interim C	Final D=B-C	Interim E	Final F	Interim G=C*E	Final H=D*F	Total I=G+H	
<u>Luverne Wind Generation</u>									
341.00 Structures and Improvements	\$2,266,581	\$87,065	\$ 2,179,516	-5.0%	-5.9%	\$ (4,353)	\$ (129,402)	\$ (133,755)	-5.9%
342.00 Fuel Holders and Accessories									
343.00 Prime Movers									
344.00 Generators	65,851,139	2,528,613	63,322,526	-5.0%	-5.9%	(126,431)	(3,759,572)	(3,886,003)	-5.9%
345.00 Accessory Electric Equipment	4,863,837	186,828	4,677,009	-5.0%	-5.9%	(9,341)	(277,682)	(287,024)	-5.9%
346.00 Miscellaneous Power Plant Equipment	74,045	2,817	71,228	-5.0%	-5.9%	(141)	(4,229)	(4,370)	-5.9%
Total Luverne Wind Generation	\$ 73,055,602	\$ 2,805,322	\$ 70,250,280	-5.0%	-5.9%	\$ (140,266)	\$ (4,170,885)	\$ (4,311,151)	-5.9%
GENERAL PLANT									
390.10 General Office Buildings	\$6,066,473	\$342,892	\$ 5,723,581	-5.0%	50.5%	\$ (17,145)	\$ 2,888,813	\$ 2,871,669	47.3%
390.20 Fleet Service Center Building	937,678	40,814	896,864	-5.0%	32.8%	(2,041)	294,456	292,415	31.2%
390.30 Central Stores Building	4,250,359	303,104	3,947,255	-5.0%	82.5%	(15,155)	3,255,719	3,240,564	76.2%

OTTER TAIL POWER COMPANY

Current and Updated Parameters
Vintage Group Procedure

Statement F

Account Description	Current Parameters						Updated Parameters					
	P-Life/ AYFR	Curve Shape	VG ASL	Rem. Life	Avg. Sal.	Fut. Sal.	P-Life/ AYFR	Curve Shape	VG ASL	Rem. Life	Avg. Sal.	Fut. Sal.
A	B	C	D	E	F	G	H	I	J	K	L	M
INTANGIBLE PLANT												
303.91 Software - 5 Year	5.00	SQ	5.00	2.92			5.00	SQ	5.00	2.92		
303.92 Software - 10 Year												
Total Intangible Plant			5.00	2.92					5.02	2.92		
STEAM PRODUCTION												
311.00 Structures and Improvements			37.66	25.31	-7.3	-7.2			38.15	24.24	-7.3	-7.2
312.00 Boiler Plant Equipment			30.86	20.46	-8.6	-8.0			30.66	19.83	-9.6	-7.9
312.10 Boiler Plant Equipment - Landfill			35.91	32.08					35.91	31.16		
314.00 Turbogenerator Units			36.09	19.43	-3.2	-8.7			36.01	18.47	-3.2	-8.7
315.00 Accessory Electric Equipment			38.27	23.64	-7.6	-7.6			38.59	22.53	-7.6	-7.6
316.00 Miscellaneous Power Plant Equipment			28.70	16.91	-3.6	-8.7			27.96	15.93	-3.6	-8.6
Total Steam Production Plant			33.20	21.62	-7.4	-7.7			33.03	20.76	-8.0	-7.7
HYDRAULIC PRODUCTION												
331.00 Structures and Improvements			18.25	3.48	-0.1				18.29	2.49	-0.1	
332.00 Reservoirs, Dams and Waterways			12.15	3.48	1.7				12.17	2.49	1.7	
333.00 Water Wheels, Turbines & Generators			13.21	3.48	-7.5				13.24	2.49	-7.5	
334.00 Accessory Electric Equipment			18.99	3.48	0.5				19.01	2.49	0.5	
335.00 Miscellaneous Power Plant Equipment			10.25	3.48	-0.5				10.20	2.49	0.1	
Total Hydraulic Production Plant			12.81	3.48	-0.4				12.82	2.49	-0.4	
OTHER PRODUCTION												
341.00 Structures and Improvements			27.19	16.51	-3.5	-3.5			26.88	15.69	-3.4	-3.4
342.00 Fuel Holders and Accessories			33.18	17.90	-4.5	-3.6			33.19	16.94	-4.4	-3.6
343.00 Prime Movers			35.35	18.52	-3.6	-3.1			34.51	17.65	-3.5	-3.0
344.00 Generators			24.10	15.18	-4.3	-4.3			24.07	14.22	-4.3	-4.3
345.00 Accessory Electric Equipment			24.72	15.29	-4.2	-4.2			24.74	14.34	-4.1	-4.2
346.00 Miscellaneous Power Plant Equipment			26.23	17.44	-1.0	-3.2			26.25	16.49	-0.9	-3.2
Total Other Production Plant			25.14	15.50	-4.2	-4.1			25.09	14.57	-4.1	-4.1
TRANSMISSION PLANT												
353.00 Station Equipment	65.00	R1	65.11	55.72	-1.7	-5.0	65.00	R1	65.12	55.33	-1.6	-5.0
354.00 Towers and Fixtures	75.00	R5	75.00	70.63	-10.0	-10.0	75.00	R5	75.00	69.84	-10.0	-10.0
355.00 Poles and Fixtures	75.00	R2	75.27	58.91	-45.3	-50.0	75.00	R2	75.27	59.02	-45.6	-50.0
356.00 Overhead Conductors and Devices	75.00	R2	75.10	62.70	-27.0	-30.0	75.00	R2	75.12	61.24	-26.9	-30.0
358.00 Underground Conductors and Devices	50.00	S4	50.53	14.97	-7.3	-5.0	50.00	S4	50.68	14.32	-7.3	-5.0
Total Transmission Plant			72.33	61.57	-21.2	-24.1			72.31	60.95	-21.2	-24.1

OTTER TAIL POWER COMPANY
Current and Updated Parameters
Vintage Group Procedure

Statement F

Account Description	Current Parameters						Updated Parameters					
	P-Life/ AYFR	Curve Shape	VG ASL	Rem. Life	Avg. Sal.	Fut. Sal.	P-Life/ AYFR	Curve Shape	VG ASL	Rem. Life	Avg. Sal.	Fut. Sal.
A	B	C	D	E	F	G	H	I	J	K	L	M
DISTRIBUTION PLANT												
362.00 Station Equipment	43.00	SC	43.47	34.81	7.0	5.0	43.00	SC	43.47	34.63	6.8	5.0
364.00 Poles, Towers and Fixtures	70.00	R3	70.07	48.98	-100.4	-100.0	70.00	R3	70.07	48.80	-100.5	-100.0
365.00 Overhead Conductors and Devices	65.00	R2.5	65.22	43.27	-74.8	-75.0	65.00	R2.5	65.22	43.13	-74.8	-75.0
367.00 Underground Conductors and Devices	45.00	R4	44.83	28.66	-4.8	-5.0	45.00	R4	44.86	28.94	-4.8	-5.0
368.00 Line Transformers	43.00	R2.5	42.99	30.70	30.6	30.0	43.00	R2.5	43.00	30.71	30.6	30.0
369.00 Overhead Services	55.00	S5	55.27	31.01	-203.4	-200.0	55.00	S5	55.30	30.41	-203.8	-200.0
369.10 Underground Services	50.00	R4	50.10	34.03	-20.3	-20.0	50.00	R4	50.11	33.62	-20.4	-20.0
370.00 Meters	28.00	L1	29.28	19.76	0.1		28.00	L1	29.17	20.02	0.1	
370.10 Load Management Switches	15.00	R5	15.15	3.00			15.00	R5	15.35	2.70		
371.20 Other Private Lighting	25.00	O3	25.96	24.39	3.0		25.00	O3	25.82	24.42	2.7	
373.00 Street Lighting and Signal Systems	22.00	L0.5	22.60	15.09	-4.0	-5.0	22.00	L0.5	22.64	15.68	-3.8	-5.0
Total Distribution Plant			45.11	31.22	-21.8	-24.4			45.05	31.13	-21.3	-23.9
GENERAL PLANT												
Depreciable												
390.00 Structures and Improvements	50.00	R1	50.85	34.19	9.0	5.0	50.00	R1	50.89	33.73	8.9	5.0
390.10 General Office Buildings	2040	200-SC	40.82	21.83	37.0	47.3	2040	200-SC	40.53	20.89	36.4	47.3
390.20 Fleet Service Center Building	2035	200-SC	39.42	17.09	23.8	31.2	2035	200-SC	39.44	16.14	23.8	31.2
390.30 Central Stores Building	2045	200-SC	57.40	26.47	77.0	79.0	2045	200-SC	55.14	25.55	74.3	76.2
396.00 Power Operated Equipment	23.00	L0	24.79	17.09	13.0	5.0	23.00	L0	24.10	18.80	11.3	5.0
397.40 Communication Towers	50.00	R2.5	50.32	32.70	-4.0	-5.0	50.00	R2.5	50.35	32.06	-3.7	-5.0
Total Depreciable			48.04	29.51	21.0	21.8			47.38	28.75	20.6	21.5
Amortizable												
391.00 Office Furniture	15.00	SQ	15.00	6.17			15.00	SQ	15.00	5.92		
391.10 Office Equipment	10.00	SQ	10.00	3.20			10.00	SQ	10.00	4.06		
391.20 Duplicating Equipment	10.00	SQ	10.00	3.87			10.00	SQ	10.00	5.17		
391.50 Computer Systems	5.00	SQ	5.00	2.64			5.00	SQ	5.00	3.06		
391.60 Computer Related Equipment	5.00	SQ	5.00	1.59			5.00	SQ	5.00	2.28		
394.00 Tools, Shop and Garage Equipment	15.00	SQ	15.00	8.10			15.00	SQ	15.00	7.55		
394.20 Automated Meter Reading Equipment	15.00	SQ	15.00	4.84			15.00	SQ	15.00	7.12		
397.00 Communication Equipment	15.00	SQ	15.00	12.29			15.00	SQ	15.00	11.30		
397.10 Radio Telecommunication Equipment	10.00	SQ	10.00	3.17			10.00	SQ	10.00	2.35		
397.20 Microwave Equipment	15.00	SQ	15.00	7.30			15.00	SQ	15.00	7.30		
397.30 Radio Load Control Equipment	10.00	SQ	10.00	5.02			10.00	SQ	10.00	4.03		
Total Amortizable			9.78	5.09					9.83	5.19		
Total General Plant			19.56	11.33	7.8	13.7			19.90	11.51	7.6	13.7
TOTAL UTILITY			38.01	26.73	-13.1	-14.9			36.95	25.42	-13.1	-14.8

OTTER TAIL POWER COMPANY
Current and Updated Parameters
Vintage Group Procedure

Statement F

Account Description	Current Parameters						Updated Parameters					
	P-Life/ AYFR	Curve Shape	VG ASL	Rem. Life	Avg. Sal.	Fut. Sal.	P-Life/ AYFR	Curve Shape	VG ASL	Rem. Life	Avg. Sal.	Fut. Sal.
A	B	C	D	E	F	G	H	I	J	K	L	M
STEAM PRODUCTION												
<u>Big Stone</u>												
311.00 Structures and Improvements	2046	200-SC	34.23	27.46	-6.0	-5.9	2046	200-SC	34.61	26.53	-5.9	-5.8
312.00 Boiler Plant Equipment	2046	200-SC	33.56	27.47	-7.1	-5.9	2046	200-SC	33.07	26.54	-8.7	-5.8
312.10 Boiler Plant Equipment - Landfill												
314.00 Turbogenerator Units	2046	200-SC	42.74	27.44	-2.1	-5.9	2046	200-SC	42.67	26.51	-2.0	-5.8
315.00 Accessory Electric Equipment	2046	200-SC	36.37	27.46	-6.3	-5.9	2046	200-SC	36.79	26.53	-6.2	-5.8
316.00 Miscellaneous Power Plant Equipment	2046	200-SC	40.90	27.44	-3.5	-5.9	2046	200-SC	39.51	26.52	-3.4	-5.8
Total Big Stone			34.67	27.46	-6.2	-5.9			34.41	26.53	-7.3	-5.8
<u>Hoot Lake Units 2 and 3</u>												
311.00 Structures and Improvements	2021	200-SC	36.66	3.48	-20.0	-15.5	2021	200-SC	36.47	2.49	-20.1	-15.6
312.00 Boiler Plant Equipment	2021	200-SC	14.55	3.48	-19.3	-15.5	2021	200-SC	14.46	2.49	-19.3	-15.6
312.10 Boiler Plant Equipment - Landfill	2051	200-SC	35.91	32.08			2051	200-SC	35.91	31.16		
314.00 Turbogenerator Units	2021	200-SC	23.62	3.48	-13.9	-15.5	2021	200-SC	23.62	2.49	-14.0	-15.6
315.00 Accessory Electric Equipment	2021	200-SC	26.51	3.48	-17.2	-15.5	2021	200-SC	26.56	2.49	-17.3	-15.6
316.00 Miscellaneous Power Plant Equipment	2021	200-SC	13.49	3.48	-8.4	-15.5	2021	200-SC	13.05	2.49	-8.4	-15.6
Total Hoot Lake Units 2 and 3			18.67	5.69	-15.6	-13.2			18.59	4.70	-15.7	-13.3
<u>Coyote</u>												
311.00 Structures and Improvements	2041	200-SC	50.49	22.75	-8.3	-9.0	2041	200-SC	50.55	21.81	-8.3	-9.0
312.00 Boiler Plant Equipment	2041	200-SC	42.21	22.77	-7.6	-9.0	2041	200-SC	42.01	21.83	-7.6	-9.0
312.10 Boiler Plant Equipment - Landfill												
314.00 Turbogenerator Units	2041	200-SC	38.27	22.78	-0.1	-9.0	2041	200-SC	38.15	21.84	-0.2	-9.0
315.00 Accessory Electric Equipment	2041	200-SC	47.90	22.76	-7.8	-9.0	2041	200-SC	47.66	21.82	-7.8	-9.0
316.00 Miscellaneous Power Plant Equipment	2041	200-SC	35.00	22.78	-1.9	-9.0	2041	200-SC	34.76	21.84	-1.9	-9.0
Total Coyote			43.22	22.77	-6.4	-9.0			43.07	21.83	-6.4	-9.0

OTTER TAIL POWER COMPANY

Current and Updated Parameters
Vintage Group Procedure

Statement F

Account Description	Current Parameters						Updated Parameters					
	P-Life/ AYFR	Curve Shape	VG ASL	Rem. Life	Avg. Sal.	Fut. Sal.	P-Life/ AYFR	Curve Shape	VG ASL	Rem. Life	Avg. Sal.	Fut. Sal.
A	B	C	D	E	F	G	H	I	J	K	L	M
HYDRAULIC PRODUCTION												
<u>Hoot Lake</u>												
331.00 Structures and Improvements	2021	200-SC	61.44	3.48			2021	200-SC	61.59	2.49		
332.00 Reservoirs, Dams and Waterways	2021	200-SC	29.99	3.48	-0.1		2021	200-SC	30.05	2.49	-0.1	
333.00 Water Wheels, Turbines & Generators	2021	200-SC	36.24	3.48			2021	200-SC	36.32	2.49		
334.00 Accessory Electric Equipment	2021	200-SC	30.81	3.48			2021	200-SC	30.88	2.49		
335.00 Miscellaneous Power Plant Equipment	2021	200-SC	8.94	3.48			2021	200-SC	8.95	2.49		
Total Hoot Lake			27.04	3.48					27.09	2.49		
<u>Wright</u>												
331.00 Structures and Improvements	2021	200-SC	30.80	3.48			2021	200-SC	30.87	2.49		
332.00 Reservoirs, Dams and Waterways	2021	200-SC	9.60	3.48	27.1		2021	200-SC	9.61	2.49	27.1	
333.00 Water Wheels, Turbines & Generators	2021	200-SC	9.31	3.48	-3.6		2021	200-SC	9.33	2.49	-3.6	
334.00 Accessory Electric Equipment	2021	200-SC	16.79	3.48	2.2		2021	200-SC	16.82	2.49	2.2	
335.00 Miscellaneous Power Plant Equipment	2021	200-SC	12.23	3.48	-0.7		2021	200-SC	12.24	2.49	-0.7	
Total Wright			10.22	3.48	12.6				10.23	2.49	12.6	
<u>Pisgah</u>												
331.00 Structures and Improvements	2021	200-SC	38.87	3.48			2021	200-SC	38.96	2.49		
332.00 Reservoirs, Dams and Waterways	2021	200-SC	13.01	3.48			2021	200-SC	13.03	2.49		
333.00 Water Wheels, Turbines & Generators	2021	200-SC	15.93	3.48	-15.0		2021	200-SC	15.96	2.49	-15.0	
334.00 Accessory Electric Equipment	2021	200-SC	15.75	3.48	-0.3		2021	200-SC	15.70	2.49	-0.3	
335.00 Miscellaneous Power Plant Equipment	2021	200-SC	8.94	3.48	-0.6		2021	200-SC	8.95	2.49	-0.6	
Total Pisgah			13.51	3.48	-3.3				13.53	2.49	-3.3	
<u>Dayton Hollow</u>												
331.00 Structures and Improvements	2021	200-SC	9.96	3.48			2021	200-SC	9.98	2.49		
332.00 Reservoirs, Dams and Waterways	2021	200-SC	10.70	3.48	-10.2		2021	200-SC	10.72	2.49	-10.2	
333.00 Water Wheels, Turbines & Generators	2021	200-SC	14.21	3.48	-10.2		2021	200-SC	14.23	2.49	-10.2	
334.00 Accessory Electric Equipment	2021	200-SC	21.40	3.48	0.1		2021	200-SC	21.45	2.49	0.1	
335.00 Miscellaneous Power Plant Equipment	2021	200-SC	8.96	3.48	-0.2		2021	200-SC	8.97	2.49	-0.2	
Total Dayton Hollow			11.51	3.48	-8.5				11.53	2.49	-8.5	

OTTER TAIL POWER COMPANY
Current and Updated Parameters
Vintage Group Procedure

Statement F

Account Description A	Current Parameters						Updated Parameters					
	P-Life/ AYFR B	Curve Shape C	VG ASL D	Rem. Life E	Avg. Sal. F	Fut. Sal. G	P-Life/ AYFR H	Curve Shape I	VG ASL J	Rem. Life K	Avg. Sal. L	Fut. Sal. M
Taplin Gorge												
331.00 Structures and Improvements	2021	200-SC	74.62	3.48			2021	200-SC	74.80	2.49		
332.00 Reservoirs, Dams and Waterways	2021	200-SC	16.34	3.48	-4.8		2021	200-SC	16.37	2.49	-4.8	
333.00 Water Wheels, Turbines & Generators	2021	200-SC	82.29	3.48			2021	200-SC	82.49	2.49		
334.00 Accessory Electric Equipment	2021	200-SC	22.23	3.48	-0.3		2021	200-SC	22.28	2.49	-0.3	
335.00 Miscellaneous Power Plant Equipment	2021	200-SC	11.77	3.48	-0.4		2021	200-SC	11.59	2.49	1.8	
Total Taplin Gorge			16.64	3.48	-3.6				16.69	2.49	-3.2	
Bemidji												
331.00 Structures and Improvements	2021	200-SC	13.22	3.48	-0.1		2021	200-SC	13.25	2.49	-0.1	
332.00 Reservoirs, Dams and Waterways	2021	200-SC	13.04	3.48	-0.6		2021	200-SC	13.06	2.49	-0.6	
333.00 Water Wheels, Turbines & Generators	2021	200-SC	19.69	3.48	-11.2		2021	200-SC	19.74	2.49	-11.2	
334.00 Accessory Electric Equipment	2021	200-SC	73.11	3.48	-17.7		2021	200-SC	73.16	2.49	-17.7	
335.00 Miscellaneous Power Plant Equipment	2021	200-SC	11.91	3.48	-5.5		2021	200-SC	11.93	2.49	-5.5	
Total Bemidji			14.27	3.48	-3.1				14.30	2.49	-3.1	
OTHER PRODUCTION												
Jamestown												
341.00 Structures and Improvements			35.99	15.18	-6.0	-5.9			34.87	14.22	-6.1	-5.9
342.00 Fuel Holders and Accessories			28.62	15.19	-7.9	-5.9			28.59	14.23	-7.9	-5.9
343.00 Prime Movers			40.70	15.18	-7.2	-5.9			40.73	14.22	-7.2	-5.9
344.00 Generators												
345.00 Accessory Electric Equipment			36.89	15.18	-2.0	-5.9			36.91	14.22	-2.0	-5.9
346.00 Miscellaneous Power Plant Equipment			22.74	15.19	4.3	-5.9			22.75	14.23	4.3	-5.9
Total Jamestown			39.18	15.18	-6.9	-5.9			39.15	14.22	-6.9	-5.9
Jamestown Unit 1												
341.00 Structures and Improvements	2033	200-SC	36.99	15.18	-6.0	-5.9	2033	200-SC	35.69	14.22	-6.1	-5.9
342.00 Fuel Holders and Accessories	2033	200-SC	28.21	15.19	-9.0	-5.9	2033	200-SC	28.23	14.23	-9.0	-5.9
343.00 Prime Movers	2033	200-SC	37.90	15.18	-8.3	-5.9	2033	200-SC	37.92	14.22	-8.3	-5.9
344.00 Generators												
345.00 Accessory Electric Equipment	2033	200-SC	55.82	15.16	-5.5	-5.9	2033	200-SC	55.93	14.21	-5.5	-5.9
346.00 Miscellaneous Power Plant Equipment	2033	200-SC	22.32	15.19	1.9	-5.9	2033	200-SC	22.33	14.23	1.9	-5.9
Total Jamestown Unit 1			36.53	15.18	-7.9	-5.9			36.46	14.22	-7.9	-5.9

OTTER TAIL POWER COMPANY

Current and Updated Parameters
Vintage Group Procedure

Statement F

Account Description	Current Parameters						Updated Parameters					
	P-Life/ AYFR	Curve Shape	VG ASL	Rem. Life	Avg. Sal.	Fut. Sal.	P-Life/ AYFR	Curve Shape	VG ASL	Rem. Life	Avg. Sal.	Fut. Sal.
A	B	C	D	E	F	G	H	I	J	K	L	M
<u>Jamestown Unit 2</u>												
341.00 Structures and Improvements	2033	200-SC	27.54	15.19	-5.9	-5.9	2033	200-SC	27.57	14.23	-5.9	-5.9
342.00 Fuel Holders and Accessories	2033	200-SC	33.63	15.17	-5.5	-5.9	2033	200-SC	32.93	14.21	-5.5	-5.9
343.00 Prime Movers	2033	200-SC	43.16	15.18	-6.3	-5.9	2033	200-SC	43.20	14.22	-6.3	-5.9
344.00 Generators												
345.00 Accessory Electric Equipment	2033	200-SC	21.35	15.19	3.2	-5.9	2033	200-SC	21.33	14.23	3.2	-5.9
346.00 Miscellaneous Power Plant Equipment	2033	200-SC	45.54	15.17	14.3	-5.9	2033	200-SC	45.62	14.21	14.3	-5.9
Total Jamestown Unit 2			42.14	15.18	-5.9	-5.9			42.17	14.22	-5.9	-5.9
<u>Lake Preston</u>												
341.00 Structures and Improvements	2033	200-SC	42.02	15.18	-6.9	-6.9	2033	200-SC	42.02	14.22	-6.9	-6.9
342.00 Fuel Holders and Accessories	2033	200-SC	39.91	15.18	-6.7	-6.9	2033	200-SC	39.90	14.22	-6.7	-6.9
343.00 Prime Movers	2033	200-SC	43.05	15.18	-6.7	-6.9	2033	200-SC	43.09	14.22	-6.7	-6.9
344.00 Generators												
345.00 Accessory Electric Equipment	2033	200-SC	41.99	15.18	-6.7	-6.9	2033	200-SC	42.04	14.22	-6.7	-6.9
346.00 Miscellaneous Power Plant Equipment	2033	200-SC	48.38	15.17	4.4	-6.9	2033	200-SC	48.46	14.21	4.4	-6.9
Total Lake Preston			42.66	15.18	-6.7	-6.9			42.69	14.22	-6.7	-6.9
<u>Ashtabula Wind Generation</u>												
341.00 Structures and Improvements	2033	200-SC	24.33	15.19	-3.5	-3.5	2033	200-SC	24.36	14.23	-3.4	-3.4
342.00 Fuel Holders and Accessories												
343.00 Prime Movers												
344.00 Generators	2033	200-SC	24.11	15.19	-3.4	-3.5	2033	200-SC	24.08	14.23	-3.3	-3.4
345.00 Accessory Electric Equipment	2033	200-SC	23.97	15.19	-3.5	-3.5	2033	200-SC	23.99	14.23	-3.4	-3.4
346.00 Miscellaneous Power Plant Equipment	2033	200-SC	20.49	15.20	-3.5	-3.5	2033	200-SC	20.50	14.23	-3.4	-3.4
Total Ashtabula Wind Generation			24.11	15.19	-3.4	-3.5			24.08	14.23	-3.3	-3.4
<u>Langdon Wind Generation</u>												
341.00 Structures and Improvements	2032	200-SC	24.36	14.23	-4.0	-4.0	2032	200-SC	24.38	13.27	-4.0	-4.0
342.00 Fuel Holders and Accessories												
343.00 Prime Movers												
344.00 Generators	2032	200-SC	24.05	14.23	-3.9	-4.0	2032	200-SC	24.04	13.27	-3.9	-4.0
345.00 Accessory Electric Equipment	2032	200-SC	23.86	14.23	-4.0	-4.0	2032	200-SC	23.89	13.27	-4.0	-4.0
346.00 Miscellaneous Power Plant Equipment	2032	200-SC	19.41	14.23	-4.0	-4.0	2032	200-SC	19.43	13.27	-4.0	-4.0
Total Langdon Wind Generation			24.04	14.23	-3.9	-4.0			24.03	13.27	-3.9	-4.0

OTTER TAIL POWER COMPANY
Current and Updated Parameters
Vintage Group Procedure

Statement F

Account Description A	Current Parameters						Updated Parameters					
	P-Life/ AYFR B	Curve Shape C	VG ASL D	Rem. Life E	Avg. Sal. F	Fut. Sal. G	P-Life/ AYFR H	Curve Shape I	VG ASL J	Rem. Life K	Avg. Sal. L	Fut. Sal. M
<u>Luverne Wind Generation</u>												
341.00 Structures and Improvements	2034	200-SC	24.31	16.15	-5.9	-5.9	2034	200-SC	24.33	15.19	-5.9	-5.9
342.00 Fuel Holders and Accessories												
343.00 Prime Movers												
344.00 Generators	2034	200-SC	24.12	16.15	-6.1	-5.9	2034	200-SC	24.10	15.19	-6.1	-5.9
345.00 Accessory Electric Equipment	2034	200-SC	24.30	16.15	-5.9	-5.9	2034	200-SC	24.32	15.19	-5.9	-5.9
346.00 Miscellaneous Power Plant Equipment	2034	200-SC	20.60	16.16	-5.9	-5.9	2034	200-SC	20.61	15.20	-5.9	-5.9
Total Luverne Wind Generation			24.13	16.15	-6.1	-5.9			24.12	15.19	-6.1	-5.9
<u>Solway Combustion Turbine</u>												
341.00 Structures and Improvements	2038	200-SC	33.04	19.96	-1.6	-1.6	2038	200-SC	31.28	19.01	-1.5	-1.5
342.00 Fuel Holders and Accessories	2038	200-SC	33.55	19.96	-1.6	-1.6	2038	200-SC	33.58	19.01	-1.5	-1.5
343.00 Prime Movers	2038	200-SC	33.08	19.96	-1.9	-1.6	2038	200-SC	32.08	19.01	-1.8	-1.5
344.00 Generators												
345.00 Accessory Electric Equipment	2038	200-SC	32.42	19.96	-1.5	-1.6	2038	200-SC	32.34	19.01	-1.4	-1.5
346.00 Miscellaneous Power Plant Equipment	2038	200-SC	31.09	19.96	-1.6	-1.6	2038	200-SC	31.12	19.01	-1.5	-1.5
Total Solway Combustion Turbine			33.03	19.96	-1.8	-1.6			32.00	19.01	-1.7	-1.5
<u>Fergus Falls Control Center</u>												
341.00 Structures and Improvements												
342.00 Fuel Holders and Accessories												
343.00 Prime Movers	2030	200-SC	34.10	12.29	-4.0	-5.0	2030	200-SC	34.16	11.32	-4.0	-5.0
344.00 Generators												
345.00 Accessory Electric Equipment												
346.00 Miscellaneous Power Plant Equipment												
Total Fergus Falls Control Center			34.10	12.29	-4.0	-5.0			34.16	11.32	-4.0	-5.0

OTTER TAIL POWER COMPANY
Plant Activity for 2018

Statement G

Account Description A	Beginning Balance B	Additions C	Retirements D	Adjustments E	Transfers F	Ending Balance G
INTANGIBLE PLANT						
303.91 Software - 5 Yr.	\$ 9,905,743	\$ 3,135,454	\$ 4,211,527			\$ 8,829,669
303.92 Software - 10 Yr.						
Intangible Plant	\$ 9,905,743	\$ 3,135,454	\$ 4,211,527			\$ 8,829,669
STEAM PRODUCTION						
311.00 Structures and Improvements	\$ 125,777,776	\$ (5,700,687)	\$ 83,476			\$ 119,993,612
312.00 Boiler Plant Equipment	327,403,618	14,333,241	1,405,850			340,331,009
312.10 Boiler Plant Equipment - Landfill	10,442,475	(919)	27,500			10,414,056
314.00 Turbo Generator Units	65,986,582	89,744	263,825			65,812,501
315.00 Accessory Electric Equipment	36,710,490	(1,100,806)	61,587			35,548,097
316.00 Misc. Power Plant Equipment	6,555,652	272,970	275,876			6,552,745
Total Steam Production	\$ 572,876,593	\$ 7,893,542	\$ 2,118,114			\$ 578,652,021
HYDRAULIC PRODUCTION						
331.00 Structures and Improvements	\$ 351,712	\$ -	\$ -			\$ 351,712
332.00 Reservoirs, Dams and Waterways	4,277,054					4,277,054
333.00 Water Wheels, Turbines and Gen.	1,373,867					1,373,867
334.00 Accessory Electric Equipment	597,103					597,103
335.00 Misc. Power Plant Equipment	442,624		7,328			435,296
Total Hydraulic Production	\$ 7,042,361	\$ -	\$ 7,328			\$ 7,035,032
OTHER PRODUCTION						
341.00 Structures and Improvements	\$ 12,946,209	\$ 401,264	\$ 15,778		\$ 4,149	\$ 13,335,843
342.00 Fuel Holders and Accessories	1,748,266					1,748,266
343.00 Prime Movers	32,333,939	1,022,370				33,356,309
344.00 Generators	241,518,630	375,260	42,984			241,850,905
345.00 Accessory Electric Equipment	20,684,148	4,615				20,688,763
346.00 Misc. Power Plant Equipment	628,270					628,270
Total Other Production	\$ 309,859,462	\$ 1,803,509	\$ 58,762		\$ 4,149	\$ 311,608,357
TRANSMISSION PLANT						
353.00 Station Equipment	\$ 121,679,913	\$ 3,313,288	\$ 502,942		\$ 625,912	\$ 125,116,170
354.00 Towers and Fixtures	108,068,409	6,138,860				114,207,269
355.00 Poles and Fixtures	117,066,300	6,934,769	272,517			123,728,553
356.00 Overhead Conductors and Devices	138,975,942	(7,419,524)	217,405			131,339,013
358.00 Underground Conductors and Devices	77,461					77,461
Total Transmission Plant	\$ 485,868,025	\$ 8,967,393	\$ 992,864		\$ 625,912	\$ 494,468,466

OTTER TAIL POWER COMPANY
Plant Activity for 2018

Statement G

Account Description	Beginning Balance	Additions	Retirements	Adjustments	Transfers	Ending Balance
A	B	C	D	E	F	G
DISTRIBUTION PLANT						
362.00 Station Equipment	\$ 80,581,239	\$ 3,140,054	\$ 846,123		\$ (654,876)	\$ 82,220,295
364.00 Poles, Towers and Fixtures	73,198,340	2,344,762	179,859			75,363,243
365.00 Overhead Conductors and Devices	51,913,449	1,527,738	276,630		(5,299)	53,159,258
367.00 Underground Conductors and Devices	77,393,273	5,573,798	360,186			82,606,884
368.00 Line Transformers	97,976,903	6,210,843	794,330		24,015	103,417,431
369.00 Overhead Services	13,144,376	156,274	13,471			13,287,178
369.10 Underground Services	42,301,013	1,313,289	65,508			43,548,794
370.00 Meters	25,656,348	2,268,706	758,892			27,166,163
370.10 Load Management Switches	8,666,410	242,534	1,318			8,907,627
370.20 Interruption Monitors	(0)					(0)
371.20 Other Private Lighting	5,010,333	767,444	348,360			5,429,418
373.00 Street Lighting and Signal Systems	5,697,612	664,430	395,449			5,966,592
Total Distribution Plant	\$ 481,539,297	\$ 24,209,873	\$ 4,040,127		\$ (636,160)	\$ 501,072,883
GENERAL PLANT						
390.00 Structures and Improvements	\$ 20,039,073	\$ 205,982	\$ 20,387		\$ 6,100	\$ 20,230,767
390.10 General Office Buildings	6,063,536	29,464	26,526			6,066,473
390.20 Fleet Service Center Buildings	937,678					937,678
390.30 Central Stores Building	4,101,405	148,954				4,250,359
391.00 Office Furniture	867,022	22,912	73,624			816,310
391.10 Office Equipment	501,540	51,027	143,779			408,787
391.20 Duplicating Equipment	268,571	62,500	27,513			303,558
391.50 Computer Systems	3,784,834	1,173,290	1,441,294			3,516,830
391.60 Computer Related Equipment	952,458	188,069	105,994			1,034,533
394.00 Tools, Shop and Garage Equipment	4,210,851	82,824	244,778			4,048,897
394.10 Tools, Shop and Garage Equipment- ???						
394.20 Automated Meter Reading Equipment	617,570	274,511				892,082
396.00 Power Operated Equipment	621,330	299,347	52,405		54,290	922,562
397.00 Communication Equipment	2,711,524	10,844				2,722,368
397.10 Radio Telecommunications Equipment	1,102,701		69,858			1,032,843
397.20 Microwave Equipment	4,465,735	133,001	448,117			4,150,620
397.30 Radio Load Control Equipment	458,690	653				459,343
397.40 Communication Equipment - Towers	1,888,762		27,525			1,861,238
Total General Plant	\$ 53,593,280	\$ 2,683,378	\$ 2,681,800		\$ 60,390	\$ 53,655,247
TOTAL DEPRECIABLE PLANT	\$ 1,920,684,760	\$ 48,693,149	\$ 14,110,523	\$ -	\$ 54,290	\$ 1,955,321,677

OTTER TAIL POWER COMPANY
Analysis of Depreciation Reserve for 2018

Statement H

Account Description A	Beginning Balance B	Credits		Debits		Other Credits (Debits) G	Ending Balance H
		Accruals C	Gross Salvage D	Retirements E	Cost of Removal F		
INTANGIBLE PLANT							
303.91 Software - 5 Yr.	\$ 5,426,099	\$ 2,019,153	\$ -	\$ 4,211,527	\$ -	\$ -	\$ 3,233,725
303.92 Software - 10 Yr.							
Total Intangible Plant	\$ 5,426,099	\$ 2,019,153	\$ -	\$ 4,211,527	\$ -	\$ -	\$ 3,233,725
STEAM PRODUCTION							
311.00 Structures and Improvements	\$ 54,442,893	\$ 2,937,735	\$ 2,362	\$ 83,476	\$ 6,339	\$ -	\$ 57,293,175
312.00 Boiler Plant Equipment	127,058,926	10,530,982	258,622	1,405,850	4,900,352		131,542,329
312.10 Boiler Plant Equipment - Landfill	5,252,667	227,991		27,500	5,500		5,447,657
314.00 Turbo Generator Units	42,740,375	1,474,339		263,825	27,853		43,923,036
315.00 Accessory Electric Equipment	18,691,438	822,911		61,587			19,452,762
316.00 Misc. Power Plant Equipment	3,518,973	209,300	508	275,876	12,936		3,439,968
Total Steam Production	\$ 251,705,272	\$ 16,203,258	\$ 261,491	\$ 2,118,114	\$ 4,952,979	\$ -	\$ 261,098,928
HYDRAULIC PRODUCTION							
331.00 Structures and Improvements	\$ 269,262	\$ 18,445	\$ -	\$ -	\$ -	\$ -	\$ 287,707
332.00 Reservoirs, Dams and Waterways	2,671,896	359,096					3,030,991
333.00 Water Wheels, Turbines and Gen.	1,081,153	65,484					1,146,637
334.00 Accessory Electric Equipment	466,056	29,317					495,373
335.00 Misc. Power Plant Equipment	250,672	42,838	2,850	7,328			289,032
Total Hydraulic Production	\$ 4,739,039	\$ 515,180	\$ 2,850	\$ 7,328	\$ -	\$ -	\$ 5,249,741
OTHER PRODUCTION							
341.00 Structures and Improvements	\$ 5,148,693	\$ 458,416	\$ -	\$ 15,778	\$ 600	\$ 1,299	\$ 5,592,031
342.00 Fuel Holders and Accessories	944,360	42,750					987,110
343.00 Prime Movers	17,282,273	772,456					18,054,729
344.00 Generators	83,519,217	10,014,210		42,984	35,561		93,454,882
345.00 Accessory Electric Equipment	7,719,743	816,279					8,536,022
346.00 Misc. Power Plant Equipment	233,438	21,679					255,117
Total Other Production	\$ 114,847,724	\$ 12,125,789	\$ -	\$ 58,762	\$ 36,161	\$ 1,299	\$ 126,879,890
TRANSMISSION PLANT							
353.00 Station Equipment	\$ 20,927,834	\$ 1,988,773	\$ 458,412	\$ 502,942	\$ 168,776	\$ 140,329	\$ 22,843,629
354.00 Towers and Fixtures	7,504,510	1,784,089				(0)	9,288,599
355.00 Poles and Fixtures	51,194,589	2,366,907	327,767	272,517	540,120		53,076,626
356.00 Overhead Conductors and Devices	40,523,175	2,402,207	77,791	217,405	312,124		42,473,645
358.00 Underground Conductors and Devices	73,405	889					74,294
Total Transmission Plant	\$ 120,223,513	\$ 8,542,865	\$ 863,970	\$ 992,864	\$ 1,021,021	\$ 140,329	\$ 127,756,792

OTTER TAIL POWER COMPANY
Analysis of Depreciation Reserve for 2018

Statement H

Account Description	Beginning Balance	Credits		Debits		Other Credits (Debits)	Ending Balance
		Accruals	Gross Salvage	Retirements	Cost of Removal		
A	B	C	D	E	F	G	H
DISTRIBUTION PLANT							
362.00 Station Equipment	\$ 22,266,228	\$ 1,703,165	\$ 168,067	\$ 846,123	\$ 307,029	\$ (142,273)	\$ 22,842,036
364.00 Poles, Towers and Fixtures	42,234,529	1,838,085	263,871	179,859	560,350		43,596,276
365.00 Overhead Conductors and Devices	40,716,390	1,476,882	115,562	276,630	302,452	(103)	41,729,648
367.00 Underground Conductors and Devices	36,997,495	1,870,074	55,898	360,186	79,148		38,484,132
368.00 Line Transformers	14,654,117	1,247,103	653,623	794,330	362,530	(410)	15,397,573
369.00 Overhead Services	15,518,840	551,066	194	13,471	94,222		15,962,406
369.10 Underground Services	18,497,499	1,098,058	121	65,508	45,400		19,484,769
370.00 Meters	8,522,693	839,795	801	758,892			8,604,397
370.10 Load Management Switches	7,936,130	467,799		1,318			8,402,612
370.20 Interruption Monitors	0						0
371.20 Other Private Lighting	1,075,911	207,751	26,990	348,360	28,155		934,137
373.00 Street Lighting and Signal Systems	2,954,948	211,353	33,278	395,449	33,962		2,770,167
Total Distribution Plant	\$ 211,374,779	\$ 11,511,131	\$ 1,318,404	\$ 4,040,127	\$ 1,813,249	\$ (142,786)	\$ 218,208,152
GENERAL PLANT							
390.00 Structures and Improvements	\$ 5,734,793	\$ 409,365	\$ -	\$ 20,387	\$ -	\$ 1,157	\$ 6,124,928
390.10 General Office Buildings	2,503,122	41,642		26,526	35,394		2,482,844
390.20 Fleet Service Center Buildings	517,988	12,441					530,430
390.30 Central Stores Building	1,704,522	(77,705)					1,626,817
391.00 Office Furniture	503,808	55,106		73,624			485,290
391.10 Office Equipment	330,539	47,733		143,779			234,493
391.20 Duplicating Equipment	157,625	27,440		27,513			157,552
391.50 Computer Systems	1,767,839	736,626		1,441,294			1,063,171
391.60 Computer Related Equipment	588,153	191,633		105,994			673,792
394.00 Tools, Shop and Garage Equipment	1,956,295	274,410		244,778			1,985,926
394.20 Automated Meter Reading Equipment	422,239	45,747					467,986
396.00 Power Operated Equipment	161,355	18,760	3,069	52,405		50,401	181,180
397.00 Communication Equipment	407,740	181,661					589,401
397.10 Radio Telecommunications Equipment	726,630	109,393		69,858			766,165
397.20 Microwave Equipment	2,222,435	297,517		448,117			2,071,835
397.30 Radio Load Control Equipment	196,256	45,929					242,185
397.40 Communication Equipment - Towers	929,660	37,033	7,069	27,525	2,774		943,462
Total General Plant	\$ 20,830,998	\$ 2,454,731	\$ 10,138	\$ 2,681,800	\$ 38,168	\$ 51,558	\$ 20,627,456
TOTAL DEPRECIABLE PLANT	\$ 729,147,423	\$ 53,372,108	\$ 2,456,853	\$ 14,110,523	\$ 7,861,578	\$ 50,401	\$ 763,054,684

OTTER TAIL POWER COMPANY

Summary of Annual Depreciation Accruals for 2018

Statement I

Account Description A	Beginning Plant Balance B	Est. Future Net Salvage		Beginning Depreciation Reserve E	Net Balance F=B-D-E	Projection Life (Yrs.) G	Remaining Life (Yrs.) H	Annual Accrual I=F/H	Accrual Rate J=I/B
		Percent C	Amount D						
INTANGIBLE PLANT									
303.91 Software - 5 Yr.	\$ 9,905,743		\$ -	\$ 5,426,099	\$ 4,479,644	5.00	2.92	\$ 1,534,125	15.49%
303.92 Software - 10 Yr.									
Total Intangible Plant	\$ 9,905,743		\$ -	\$ 5,426,099	\$ 4,479,644		2.92	\$ 1,534,125	15.49%
STEAM PRODUCTION									
311.00 Structures and Improvements	\$ 125,777,776	-6.9%	\$ (8,678,667)	\$ 54,442,893	\$ 80,013,549		26.24	\$ 3,049,297	2.42%
312.00 Boiler Plant Equipment	327,403,618	-7.5%	(24,555,271)	127,058,926	224,899,964		21.38	10,519,175	3.21%
312.10 Boiler Plant Equipment - Landfill	10,442,475			5,252,667	5,189,808		32.99	157,315	1.51%
314.00 Turbo Generator Units	65,986,582	-8.0%	(5,278,927)	42,740,375	28,525,134		20.34	1,402,416	2.13%
315.00 Accessory Electric Equipment	36,710,490	-7.2%	(2,643,155)	18,691,438	20,662,207		24.57	840,953	2.29%
316.00 Misc. Power Plant Equipment	6,555,652	-7.7%	(504,785)	3,518,973	3,541,464		18.16	195,015	2.97%
Total Steam Production	\$ 572,876,593	-7.3%	\$ (41,660,805)	\$ 251,705,272	\$ 362,832,127		22.45	\$ 16,164,169	2.82%
HYDRAULIC PRODUCTION									
331.00 Structures and Improvements	\$ 351,712		\$ -	\$ 269,262	\$ 82,450		4.47	\$ 18,445	5.24%
332.00 Reservoirs, Dams and Waterways	4,277,054			2,671,896	1,605,159		4.47	359,096	8.40%
333.00 Water Wheels, Turbines and Gen.	1,373,867			1,081,153	292,714		4.47	65,484	4.77%
334.00 Accessory Electric Equipment	597,103			466,056	131,047		4.47	29,317	4.91%
335.00 Misc. Power Plant Equipment	442,624			250,672	191,952		4.47	42,942	9.70%
Total Hydraulic Production	\$ 7,042,361		\$ -	\$ 4,739,039	\$ 2,303,322		4.47	\$ 515,285	7.32%
OTHER PRODUCTION									
341.00 Structures and Improvements	\$ 12,946,209	-1.1%	\$ (142,408)	\$ 5,148,693	\$ 7,939,924		17.46	\$ 454,749	3.51%
342.00 Fuel Holders and Accessories	1,748,266	-1.1%	(19,231)	944,360	823,137		18.85	43,668	2.50%
343.00 Prime Movers	32,333,939	-0.9%	(291,005)	17,282,273	15,342,671		19.47	788,016	2.44%
344.00 Generators	241,518,630	-1.5%	(3,622,779)	83,519,217	161,622,192		16.13	10,019,975	4.15%
345.00 Accessory Electric Equipment	20,684,148	-1.4%	(289,578)	7,719,743	13,253,982		16.25	815,630	3.94%
346.00 Misc. Power Plant Equipment	628,270	-1.0%	(6,283)	233,438	401,115		18.40	21,800	3.47%
Total Other Production	\$ 309,859,462		\$ (4,371,285)	\$ 114,847,724	\$ 199,383,022		16.42	\$ 12,143,837	3.92%
TRANSMISSION PLANT									
353.00 Station Equipment	\$ 121,679,913	-5.0%	\$ (6,083,996)	\$ 20,927,834	\$ 106,836,075	65.00	53.63	\$ 1,992,095	1.64%
354.00 Towers and Fixtures	108,068,409	-10.0%	(10,806,841)	7,504,510	111,370,740	70.00	65.34	1,704,480	1.58%
355.00 Poles and Fixtures	117,066,300	-50.0%	(58,533,150)	51,194,589	124,404,861	70.00	54.21	2,294,869	1.96%
356.00 Overhead Conductors and Devices	138,975,942	-30.0%	(41,692,783)	40,523,175	140,145,550	70.00	55.11	2,543,015	1.83%
358.00 Underground Conductors and Devices	77,461	-5.0%	(3,873)	73,405	7,929	40.00	8.92	889	1.15%
Total Transmission Plant	\$ 485,868,025	-24.1%	\$ (117,120,642)	\$ 120,223,513	\$ 482,765,154		56.56	\$ 8,535,349	1.76%

OTTER TAIL POWER COMPANY

Summary of Annual Depreciation Accruals for 2018

Statement I

Account Description	Beginning Plant Balance	Est. Future Net Salvage		Beginning Depreciation Reserve	Net Balance	Projection Life (Yrs.)	Remaining Life (Yrs.)	Annual Accrual	Accrual Rate
		Percent	Amount						
A	B	C	D	E	F=B-D-E	G	H	I=F/H	J=I/B
DISTRIBUTION PLANT									
362.00 Station Equipment	\$ 80,581,239	5.0%	\$ 4,029,062	\$ 22,266,228	\$ 54,285,949	40.00	32.00	\$ 1,696,436	2.11%
364.00 Poles, Towers and Fixtures	73,198,340	-75.0%	(54,898,755)	42,234,529	85,862,566	68.00	47.20	1,819,122	2.49%
365.00 Overhead Conductors and Devices	51,913,449	-100.0%	(51,913,449)	40,716,390	63,110,509	65.00	43.09	1,464,621	2.82%
367.00 Underground Conductors and Devices	77,393,273	-5.0%	(3,869,664)	36,997,495	44,265,443	40.00	24.22	1,827,640	2.36%
368.00 Line Transformers	97,976,903	50.0%	48,988,452	14,654,117	34,334,335	40.00	28.05	1,224,040	1.25%
369.00 Overhead Services	13,144,376	-150.0%	(19,716,564)	15,518,840	17,342,100	55.00	31.60	548,801	4.18%
369.10 Underground Services	42,301,013	-20.0%	(8,460,203)	18,497,499	32,263,716	45.00	29.63	1,088,887	2.57%
370.00 Meters	25,656,348			8,522,693	17,133,655	28.00	20.73	826,515	3.22%
370.10 Load Management Switches	8,666,410			7,936,130	730,280	12.00	1.59	459,296	5.30%
370.20 Interruption Monitors*				0	(0)	23.00			
371.20 Other Private Lighting	5,010,333	10.0	50,103,334	1,075,911	(46,168,912)		17.03	(2,711,034)	-54.11%
373.00 Street Lighting and Signal Systems	5,697,612	-5.0%	(284,881)	2,954,948	3,027,544	22.00	15.13	200,102	3.51%
Total Distribution Plant	\$ 481,539,297	-7.5%	\$ (36,022,667)	\$ 211,374,779	\$ 306,187,186		36.26	\$ 8,444,425	1.75%
GENERAL PLANT									
390.00 Structures and Improvements	\$ 20,039,073	10.0%	\$ 2,003,907	\$ 5,734,793	\$ 12,300,373	47.00	30.07	\$ 409,058	2.04%
390.10 General Office Buildings	6,063,536	49.6%	3,007,514	2,503,122	552,900	2030	13.26	41,697	0.69%
390.20 Fleet Service Center Buildings	937,678	33.6%	315,060	517,988	104,630	2025	8.41	12,441	1.33%
390.30 Central Stores Building	4,101,405	92.6%	3,797,901	1,704,522	(1,401,018)	2035	18.03	(77,705)	-1.89%
391.00 Office Furniture*	867,022			503,808	363,214				
391.10 Office Equipment*	501,540			330,539	171,000				
391.20 Duplicating Equipment*	268,571			157,625	110,947				
391.50 Computer Systems*	3,784,834			1,767,839	2,016,996				
391.60 Computer Related Equipment*	952,458			588,153	364,304				
394.00 Tools, Shop and Garage Equipment*	4,210,851			1,956,295	2,254,556				
394.20 Automated Meter Reading Equipment*	617,570			422,239	195,331				
396.00 Power Operated Equipment	621,330	20.0%	124,266	161,355	335,709	24.00	17.81	18,849	3.03%
397.00 Communication Equipment*	2,711,524			407,740	2,303,784				
397.10 Radio Telecommunications Equipment*	1,102,701			726,630	376,070				
397.20 Microwave Equipment*	4,465,735			2,222,435	2,243,301				
397.30 Radio Load Control Equipment*	458,690			196,256	262,434				
397.40 Communication Equipment - Towers	1,888,762	5.0%	94,438	929,660	864,665	40.00	23.32	37,078	1.96%
Total General Plant	\$ 53,593,280	17.4%	\$ 9,343,086	\$ 20,830,998	\$ 23,419,196		53.05	\$ 441,419	0.82%
TOTAL DEPRECIABLE PLANT	\$ 1,910,779,017	-9.9%	\$ (189,832,314)	\$ 723,721,324	\$ 1,376,890,007		29.77	\$ 46,244,484	2.42%

**OTTER TAIL POWER COMPANY
2019 ANNUAL REVIEW OF DEPRECIATION CERTIFICATION
PROPOSED REMAINING LIVES & SALVAGE %'s FOR USE IN 2019**

<u>Account Number</u>	<u>Class of Utility Plant</u>	<u>Remaining Life (Yrs)</u>	<u>Net Salvage (%)</u>	<u>Amortization Period (Yrs)</u>
INTANGIBLES				
303.91	Software: 5-year Amortization Period			5
303.92	Software: 10-year Amortization Period			10
STEAM PRODUCTION				
<u>Big Stone Plant</u>				
311-101	Structures & Improvements	26.53	-5.8%	
312-101	Boiler Plant Equipment	26.54	-5.8%	
314-101	Turbogenerator Units	26.51	-5.8%	
315-101	Accessory Electric Equipment	26.53	-5.8%	
316-101	Misc. Power Plant Equipment	26.52	-5.8%	
<u>Hoot Lake Plant - Units 2 & 3</u>				
311-102	Structures & Improvements	2.49	-15.6%	
312-102	Boiler Plant Equipment	2.49	-15.6%	
312.1-102	Boiler Plant Equipment	31.16	0.0%	
314-102	Turbogenerator Units	2.49	-15.6%	
315-102	Accessory Electric Equipment	2.49	-15.6%	
316-102	Misc. Power Plant Equipment	2.49	-15.6%	
<u>Coyote Station</u>				
311-103	Structures & Improvements	21.81	-9.0%	
312-103	Boiler Plant Equipment	21.83	-9.0%	
314-103	Turbogenerator Units	21.84	-9.0%	
315-103	Accessory Electric Equipment	21.82	-9.0%	
316-103	Misc. Power Plant Equipment	21.84	-9.0%	
HYDRAULIC PRODUCTION				
<u>Hoot Lake Hydro Unit</u>				
331-131	Structures & Improvements	2.49	0.0%	
332-131	Reservoirs, Dams & Waterways	2.49	0.0%	
333-131	Water Wheels, Turbines & Gen.	2.49	0.0%	
334-131	Accessory Electric Equipment	2.49	0.0%	
335-131	Misc. Power Plant Equipment	2.49	0.0%	
<u>Wright Hydro Unit</u>				
331-132	Structures & Improvements	2.49	0.0%	
332-132	Reservoirs, Dams & Waterways	2.49	0.0%	
333-132	Water Wheels, Turbines & Gen.	2.49	0.0%	
334-132	Accessory Electric Equipment	2.49	0.0%	
335-132	Misc. Power Plant Equipment	2.49	0.0%	
<u>Pisgah Hydro Unit</u>				
331-133	Structures & Improvements	2.49	0.0%	
332-133	Reservoirs, Dams & Waterways	2.49	0.0%	
333-133	Water Wheels, Turbines & Gen.	2.49	0.0%	
334-133	Accessory Electric Equipment	2.49	0.0%	
335-133	Misc. Power Plant Equipment	2.49	0.0%	
<u>Dayton Hollow Hydro Unit</u>				
331-134	Structures & Improvements	2.49	0.0%	
332-134	Reservoirs, Dams & Waterways	2.49	0.0%	
333-134	Water Wheels, Turbines & Gen.	2.49	0.0%	
334-134	Accessory Electric Equipment	2.49	0.0%	
335-134	Misc. Power Plant Equipment	2.49	0.0%	

**OTTER TAIL POWER COMPANY
2019 ANNUAL REVIEW OF DEPRECIATION CERTIFICATION
PROPOSED REMAINING LIVES & SALVAGE %'s FOR USE IN 2019**

<u>Account Number</u>	<u>Class of Utility Plant</u>	<u>Remaining Life (Yrs)</u>	<u>Net Salvage (%)</u>	<u>Amortization Period (Yrs)</u>
<u>Taplin Gorge Hydro Unit</u>				
331-135	Structures & Improvements	2.49	0.0%	
332-135	Reservoirs, Dams & Waterways	2.49	0.0%	
333-135	Water Wheels, Turbines & Gen.	2.49	0.0%	
334-135	Accessory Electric Equipment	2.49	0.0%	
335-135	Misc. Power Plant Equipment	2.49	0.0%	
<u>Bemidji Hydro Unit</u>				
331-138	Structures & Improvements	2.49	0.0%	
332-138	Reservoirs, Dams & Waterways	2.49	0.0%	
333-138	Water Wheels, Turbines & Gen.	2.49	0.0%	
334-138	Accessory Electric Equipment	2.49	0.0%	
335-138	Misc. Power Plant Equipment	2.49	0.0%	
OTHER PRODUCTION				
<u>Jamestown Unit 1</u>				
341-140	Structures & Improvements	14.22	-5.9%	
342-140	Fuel Holders & Accessories	14.23	-5.9%	
343-140	Prime Movers	14.22	-5.9%	
345-140	Accessory Electric Equipment	14.21	-5.9%	
346-140	Misc. Power Plant Equipment	14.23	-5.9%	
<u>Jamestown Unit 2</u>				
341-142	Structures & Improvements	14.23	-5.9%	
342-142	Fuel Holders & Accessories	14.21	-5.9%	
343-142	Prime Movers	14.22	-5.9%	
345-142	Accessory Electric Equipment	14.23	-5.9%	
346-142	Misc. Power Plant Equipment	14.21	-5.9%	
<u>Lake Preston</u>				
341-141	Structures & Improvements	14.22	-6.9%	
342-141	Fuel Holders & Accessories	14.22	-6.9%	
343-141	Prime Movers	14.22	-6.9%	
345-141	Accessory Electric Equipment	14.22	-6.9%	
346-141	Misc. Power Plant Equipment	14.21	-6.9%	
<u>Fergus Falls Control Center</u>				
343-143	Prime Movers	11.32	-5.0%	
<u>Solway Combustion Turbine Plant</u>				
341-144	Structures & Improvements	19.01	-1.5%	
342-144	Fuel Holders & Accessories	19.01	-1.5%	
343-144	Prime Movers	19.01	-1.5%	
345-144	Accessory Electric Equipment	19.01	-1.5%	
346-144	Misc. Power Plant Equipment	19.01	-1.5%	
<u>Langdon Wind Energy Center</u>				
341-160	Structures & Improvements	13.27	-4.0%	
344-160	Generators	13.27	-4.0%	
345-160	Accessory Electric Equipment	13.27	-4.0%	
346-160	Misc. Power Plant Equipment	13.27	-4.0%	
<u>Ashtabula Wind Energy Center</u>				
341-161	Structures & Improvements	14.23	-3.4%	
344-161	Generators	14.23	-3.4%	
345-161	Accessory Electric Equipment	14.23	-3.4%	
346-161	Misc. Power Plant Equipment	14.23	-3.4%	

**OTTER TAIL POWER COMPANY
2019 ANNUAL REVIEW OF DEPRECIATION CERTIFICATION
PROPOSED REMAINING LIVES & SALVAGE %'s FOR USE IN 2019**

<u>Account Number</u>	<u>Class of Utility Plant</u>	<u>Remaining Life (Yrs)</u>	<u>Net Salvage (%)</u>	<u>Amortization Period (Yrs)</u>
<u>Luverne Wind Energy Center</u>				
341-162	Structures & Improvements	15.19	-5.9%	
344-162	Generators	15.19	-5.9%	
345-162	Accessory Electric Equipment	15.19	-5.9%	
346-162	Misc. Power Plant Equipment	15.20	-5.9%	
<u>Merricourt Wind Energy Center</u>				
341-163	Structures & Improvements	25.00	-4.0%	
344-163	Generators	25.00	-4.0%	
345-163	Accessory Electric Equipment	25.00	-4.0%	
346-163	Misc. Power Plant Equipment	25.00	-4.0%	
TRANSMISSION				
353	Station Equipment	55.33	-5.0%	
354	Towers & Fixtures	69.84	-10.0%	
355	Poles & Fixtures	59.02	-50.0%	
356	Overhead Conductor & Devices	61.24	-30.0%	
358	Underground Conductor & Devices	14.32	-5.0%	
DISTRIBUTION				
362	Station Equipment	34.63	5.0%	
364	Poles, Towers & Fixtures	48.80	-100.0%	
365	Overhead Conductor & Devices	43.13	-75.0%	
367	Underground Conductor & Devices	28.94	-5.0%	
368	Line Transformers	30.71	30.0%	
369	Overhead Services	30.41	-200.0%	
369.1	Underground Services	33.62	-20.0%	
370	Meters	20.02	0.0%	
370.1	Load Management Switches	2.70	0.0%	
370.20	Interruption Monitors			5
371.20	Other Private Lighting	24.42	0.0%	
373	Street Lighting & Signal System	15.68	-5.0%	
GENERAL PLANT				
Depreciable				
390	Structures & Improvements	33.73	5.0%	
390.1	General Office Buildings	20.89	47.3%	
390.2	Fleet Service Center Buildings	16.14	31.2%	
390.3	Central Stores Building	25.55	76.2%	
396	Power Operated Equipment	18.80	5.0%	
397.4	Communication Towers	32.06	-5.0%	
Amortizable				
391	Office Furniture			15
391.1	Office Equipment			10
391.2	Duplicating Equipment			10
391.5	Computer Systems			5
391.6	Computer Related Equipment			5
393	Stores Equipment			15
394	Tools, Shop & Garage Equipment			15
394.2	Automated Meter Reading Equip.			15
395	Laboratory Equipment			15
397	Communication Equipment			15
397.1	Radio Telecom Equipment			10
397.2	Microwave Equipment			15
397.3	Radio Load Control Equipment			10

Source is Statement A from Foster Report

OTTER TAIL POWER COMPANY
FIVE-YEAR REVIEW OF DEPRECIATION CERTIFICATION
Supplemental Comments

Future Additions and Retirements

As indicated in the 2019 Annual Depreciation Study (Attachment 1): “Minnesota State Agency Rules 7825.0700, Subpart 2-B provides that each utility shall disclose a list of any major future additions or retirements to the plant accounts that the utility believes may have a material effect on the current certification results.” (See page 4 of the Study).

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

In addition to discussing future additions or retirements that could affect the current certification results, it is the Company’s practice to discuss future (and potential future) additions or retirements that may influence *future* depreciation expense or *future* certification results. Historically Otter Tail described these types of project. What follows are updates on current projects or projects being considered.

On November 17, 2016, Otter Tail announced agreements with EDF Renewable Development Inc. and certain of its affiliated companies (collectively EDF) whereby EDF will develop and construct and OTP will acquire a 150-megawatt (MW) wind farm to be built near the southeastern North Dakota town of Merricourt. Otter Tail closed on the purchase of certain development assets from EDF in July 2016. Construction began on the project in August 2019 with a targeted completion in 2020. The project is expected to cost approximately \$270 million and have the capacity to generate enough energy to power more than 65,000 homes.

On March 27, 2017, the company announced plans to seek regulatory approvals to build a new 245 MW simple cycle, natural gas-fired electricity-generating station (Astoria Station) northwest of Astoria in Deuel County, South Dakota. This plant is located near the intersection of the Northern Border Pipeline and the Big Stone South-to-Brookings County 345-kilovolt electric transmission line. Construction began on Astoria Station in May of 2019. Upon completion Astoria Station will be a state-of-the-art, highly efficient simple-cycle natural gas combustion turbine. Otter Tail Power Company expects to invest about \$158 million in the project with a planned in-service date in 2021.

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

OTTER TAIL POWER COMPANY
2019 ANNUAL REVIEW OF DEPRECIATION CERTIFICATION
Comparison of Resource Plan and Depreciation Filing Retirement Dates

Generating Unit	Retirement Dates			Comments
	Resource Plan 2017 - 2031	2019 Depreciation Study (Attachment No. 1)	Difference	
BASE LOAD				
➤ Hoot Lake Plant Units 2 & 3	Jun-2021	Jun-2021	None	Hoot Lake Plant units 2 & 3 have an Average Year of Final Retirement (AYFR) of 2021. The Depreciation Study adopts a mid-year convention where all asset activity is assumed to take place on June 30th of its respective activity years, whether that activity is a plant addition or plant retirement. Therefore the depreciation study identifies June 2021 as its retirement date. The IRP in Appendix F also adopts June 2021 as the retirement month matching the Depreciation filing. Due to the resulting regulatory lag associated with Otter Tails depreciation filings (from depreciation study date to depreciation effective date) Hoot Lake Plant will become fully depreciated including its net negative salvage percentage of 15.6% in June 2022 approximately the same time as it expects to complete decommissioning activities.
➤ Big Stone Plant	Jun-2046	Jun-2046	None	Big Stone Plant has an Average Year of Final Retirement (AYFR) of 2046. The Depreciation Study adopts a mid-year convention where all asset activity is assumed to take place on June 30th of its respective activity years, whether that activity is a plant addition or plant retirement. Therefore the depreciation study has June, 2046 as its retirement date. The IRP in Appendix F also adopts June, 2046 as the retirement month matching the Depreciation filing.
➤ Coyote Station	Jun-2041	Jun-2041	None	Coyote Station has an Average Year of Final Retirement (AYFR) of 2041. The Depreciation Study adopts a mid-year convention where all asset activity is assumed to take place on June 30th of its respective activity years, whether that activity is a plant addition or plant retirement. Therefore the depreciation study has June, 2041 as its retirement date. The IRP in Appendix F also adopts June, 2041 as the retirement month matching the Depreciation filing.
WIND				
➤ Langdon Wind Energy Center	Dec-2032	Jun-2032	6 months (outside of IRP study period)	The Langdon Wind Energy Center has an Average Year of Final Retirement (AYFR) of 2032. The Depreciation Study adopts a mid-year convention where all asset activity is assumed to take place on June 30th of its respective activity years, whether that activity is a plant addition or plant retirement. Therefore the depreciation study has June, 2032 as its retirement date. The IRP models the Wind Farms as Purchase Power Agreements which expire at the end of their termination year, therefore the IRP uses December, 2032 as its retirement month.
➤ Ashtabula Wind Energy Center	Dec-2033	Jun-2033	6 months (outside of IRP study period)	The Ashtabula Wind Energy Center has an Average Year of Final Retirement (AYFR) of 2033. The Depreciation Study adopts a mid-year convention where all asset activity is assumed to take place on June 30th of its respective activity years, whether that activity is a plant addition or plant retirement. Therefore the depreciation study has June, 2033 as its retirement date. The IRP models the Wind Farms as Purchase Power Agreements which expire at the end of their termination year, therefore the IRP uses December, 2033 as its retirement month.
➤ Luverne Wind Energy Center	Dec-2034	Jun-2034	6 months (outside of IRP study period)	The Luverne Wind Energy Center has an Average Year of Final Retirement (AYFR) of 2034. The Depreciation Study adopts a mid-year convention where all asset activity is assumed to take place on June 30th of its respective activity years, whether that activity is a plant addition or plant retirement. Therefore the depreciation study has June, 2034 as its retirement date. The IRP models the Wind Farms as Purchase Power Agreements which expire at the end of their termination year, therefore the IRP uses December, 2034 as its retirement month.
➤ Merricourt Wind Energy Center	N/A	Jun-2045	N/A	The Merricourt Wind Energy Center (MWEC) has an Average Year of Final Retirement (AYFR) of 2045. The Depreciation Study adopts a mid-year convention where all asset activity is assumed to take place on June 30th of its respective activity years, whether that activity is a plant addition or plant retirement. Therefore the depreciation study has June, 2045 as its retirement date. The 2016 IRP models the Wind Farms as Purchase Power Agreements which expire at the end of their termination year. The MWEC was not represented in that IRP as an OTP owned resource, but as a generic wind purchased power agreement.
HYDRO				
➤ 6 units in 5 dams on the Otter Tail River, FERC licensed	No retirement date discussed - IRP assumes operating perpetually	Jun-2021	Program assumption differences	The latest approved IRP assume these permanent hydro dam structures operate perpetually until a final retirement date is established. Depreciation Studies tie the retirement date to end of the current active FERC hydro operating license. This is the latest date these facilities can operate as generation resources until a new license renewal is granted pursuant to the satisfaction of its stated conditions. OTP is currently pursuing renewing its FERC Hydro license.
➤ 2 units on outlet of Lake Bemidji - not subject to FERC jurisdiction	No retirement date discussed - IRP assumes operating perpetually	Jun-2021	Program assumption differences	The latest approved IRP assumes permanent hydro dam structures operate perpetually until a final retirement date is established. Depreciation Studies tie the retirement date to end of current hydro license for other hydro structures which are of a similar vintage.
PEAKING				
➤ Jamestown Combustion Turbines - 2 units	Jun-2033	Jun-2033	None	The two Jamestown Combustion Turbines have an Average Year of Final Retirement (AYFR) of 2033. The Depreciation Study adopts a mid-year convention where all asset activity is assumed to take place on June 30th of its respective activity years, whether that activity is a plant addition or plant retirement. Therefore the depreciation study has June, 2033 as its retirement date. The IRP in Appendix F also adopts June, 2033 as the retirement month matching the Depreciation filing.
➤ Lake Preston Combustion Turbine	Jun-2033	Jun-2033	None	The Lake Preston Combustion Turbine has an Average Year of Final Retirement (AYFR) of 2033. The Depreciation Study adopts a mid-year convention where all asset activity is assumed to take place on June 30th of its respective activity years, whether that activity is a plant addition or plant retirement. Therefore the depreciation study has June, 2033 as its retirement date. The IRP in Appendix F also adopts June, 2033 as the retirement month matching the Depreciation filing.
➤ Solway Combustion Turbine	Jun-2038	Jun-2038	None	The Solway Combustion Turbine has an Average Year of Final Retirement (AYFR) of 2038. The Depreciation Study adopts a mid-year convention where all asset activity is assumed to take place on June 30th of its respective activity years, whether that activity is a plant addition or plant retirement. Therefore the depreciation study has June, 2038 as its retirement date. The IRP in Appendix F also adopts June, 2038 as the retirement month matching the Depreciation filing.
➤ Fergus Control Center Diesel	No retirement date discussed - beyond study period	Jun-2030	Program assumption differences	IRP assumes retirement is outside of resource plan study period. Depreciation study accounts for assets functionality as control center black start and back up strategic functionality. Unit classified as an Emergency Generator as defined by EPA Rice rules.

Note:

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

CERTIFICATE OF SERVICE

**RE: In the Matter of Otter Tail Power Company's Petition for Approval of its
2019 Annual Review of Depreciation Certification
Docket No. E017/D-19-**

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

**Otter Tail Power Company
Initial Filing**

Dated this **30st** day of **August 2019**.

/s/ MIKAYLA OSTERMAN
Mikayla Osterman
Regulatory Filing Coordinator
Otter Tail Power Company
215 South Cascade Street
Fergus Falls MN 56537
(218) 739-8879

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Generic Notice	Commerce Attorneys	commerce.attorneys@ag.state.mn.us	Office of the Attorney General-DOC	445 Minnesota Street Suite 1800 St. Paul, MN 55101	Electronic Service	No	GEN_SL_Otter Tail Power Company_GEN_SL_Otter Tail Power Company_2019Depreciation
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