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March 7, 2023

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

**RE: Annual Depreciation Rates Amended PSC Order dated June 23, 1992
Case No. PU-401-88-374
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 for North Dakota. Page 3 of Statement B shows the estimated impact to be an increase in annual depreciation expense of \$119,066 for the North Dakota Jurisdiction.

Also included with this filing is the Minnesota Public Utilities Commission (MPUC) Order dated December 7, 2022 (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 approved Otter Tail's proposed remaining life of 35.5 years for the Hoot Lake Solar Project and an initial salvage percentage of 8.1 percent for use in 2023 depreciation expense and accumulated reserve calculations. The MPUC also approved Otter Tail's updated average year of final retirement for Hydro Plants to June 2062, consistent with the Company's FERC licensing and its mid-year depreciation convention. These and other key order points are provided on page 1 of the Order. The parameters are effective January 1, 2023.

A copy of Otter Tail's initial Annual Review of Depreciation Certification filing (Initial Filing) submitted to the MPUC on September 1, 2022, is enclosed in this compliance filing. Attachment 2 of the Initial Filing lists the remaining lives and net salvage, or amortization periods, requested for certification. The MPUC Order dated October 1, 2020,¹ required an annual compliance filing with an updated Petition Attachment 2. Otter Tail submitted the required annual compliance filing on January 31, 2023, and a copy has been included in this compliance filing.

¹ Docket No. E-017/D-19-547.

Mr. Kahl
March 7, 2023
Page 2

An electronic copy of this filing is being sent to you at ndpsc@nd.gov. An original and copies have been sent to you via USPS.

These items are filed for your information. If you have any questions, please contact me at 218-739-8313 or eketelsen@otpc.com.

Sincerely,

/s/ EMILY K. KETELSEN

Emily Ketelsen
Rates Analyst
Regulatory Economics

lcd
Enclosures
By electronic filing and U.S. Mail

Estimated Impact on North Dakota

Statement B

2022 Technical Update



**North Dakota
(Statement B)**

OTTER TAIL POWER COMPANY

Comparison of Current and Updated Accruals

Current: VG Procedure / RL Technique

Proposed: VG Procedure / RL Technique

Statement B

Account Description A	12/31/21 Plant Investment B	North Dakota Allocation Factor C	Current Annual Accrual		Updated Annual Accrual		Difference		
			Total	North Dakota	Total	North Dakota	Total	North Dakota	
			D	E=C*D	F	G=C*F	H=F-D	I=G-E	
INTANGIBLE PLANT									
303.91 Software - 5 Year	\$ 4,660,795	0.40485106	\$ 932,159	\$ 377,386	\$ 932,159	\$ 377,386	\$ -	\$ -	
303.92 Software - 10 Year	25,647,055	0.40485106	2,564,706	1,038,324	2,564,706	1,038,324			
Total Intangible Plant	\$ 30,307,850		\$ 3,496,865	\$ 1,415,710	\$ 3,496,865	\$ 1,415,710	\$ -	\$ -	
STEAM PRODUCTION									
311.00 Structures and Improvements	\$ 115,225,339	0.34236620	\$ 2,820,658	\$ 965,698	\$ 2,816,111	\$ 964,141	\$ (4,547)	\$ (1,557)	
312.00 Boiler Plant Equipment	307,187,984	0.34236620	9,397,070	3,217,239	9,478,565	3,245,140	81,495	27,901	
312.10 Boiler Plant Equipment - Landfill	10,412,772	0.34236620	233,246	79,856	233,246	79,856			
314.00 Turbogenerator Units	54,982,760	0.34236620	1,134,545	388,430	1,153,160	394,803	18,615	6,373	
315.00 Accessory Electric Equipment	33,205,528	0.34236620	746,053	255,423	747,267	255,839	1,214	416	
316.00 Miscellaneous Power Plant Equipment	5,800,947	0.34236620	163,334	55,920	171,077	58,571	7,743	2,651	
Total Steam Production Plant	\$ 526,815,330		\$ 14,494,906	\$ 4,962,566	\$ 14,599,426	\$ 4,998,350	\$ 104,520	\$ 35,784	
HYDRAULIC PRODUCTION									
331.00 Structures and Improvements	\$ 151,907	0.34236620	\$ 60	\$ 20	\$ 58	\$ 20	\$ (2)	\$ -	
332.00 Reservoirs, Dams and Waterways	6,861,928	0.34236620	91,158	31,209	92,377	31,627	1,219	418	
333.00 Water Wheels, Turbines & Generators	1,051,180	0.34236620	1,011	347	989	339	(22)	(8)	
334.00 Accessory Electric Equipment	1,047,250	0.34236620	792	271	12,439	4,259	11,647	3,988	
335.00 Miscellaneous Power Plant Equipment	434,225	0.34236620	899	308	868	297	(31)	(11)	
Total Hydraulic Production Plant	\$ 9,546,490		\$ 93,920	\$ 32,155	\$ 106,731	\$ 36,542	\$ 12,811	\$ 4,387	
OTHER PRODUCTION									
341.00 Structures and Improvements	\$ 28,923,719	0.34236620	\$ 853,921	\$ 292,354	\$ 875,551	\$ 299,760	\$ 21,630	\$ 7,406	
342.00 Fuel Holders and Accessories	7,355,560	0.34236620	214,134	73,313	220,329	75,433	6,195	2,120	
343.00 Prime Movers	132,695,999	0.34236620	3,957,893	1,355,049	4,047,896	1,385,864	90,003	30,815	
344.00 Generators									
345.00 Accessory Electric Equipment	8,867,871	0.34236620	256,933	87,965	262,984	90,037	6,051	2,072	
346.00 Miscellaneous Power Plant Equipment	1,814,920	0.34236620	54,956	18,814	56,155	19,226	1,199	412	
Total Other Production Plant	\$ 179,658,069		\$ 5,337,837	\$ 1,827,495	\$ 5,462,915	\$ 1,870,320	\$ 125,078	\$ 42,825	
WIND PRODUCTION									
341.00 Structures and Improvements	\$ 15,815,172	0.34336253	\$ 454,935	\$ 156,208	\$ 454,384	\$ 156,019	\$ (551)	\$ (189)	
344.00 Generators	480,657,216	0.34336253	14,088,984	4,837,629	14,116,412	4,847,047	27,428	9,418	
345.00 Accessory Electric Equipment	36,988,761	0.34336253	1,068,740	366,965	1,066,865	366,322	(1,875)	(643)	
346.00 Miscellaneous Power Plant Equipment	452,421	0.34336253	21,809	7,489	21,766	7,474	(43)	(15)	
Total Wind Production Plant	\$ 533,913,570		\$ 15,634,468	\$ 5,368,291	\$ 15,659,427	\$ 5,376,862	\$ 24,959	\$ 8,571	
SOLAR PRODUCTION									
343.00 Prime Movers	\$ 317,317	0.34336253	\$ 13,472	\$ 4,626	\$ 13,584	\$ 4,664	\$ 112	\$ 38	
Total Solar Production Plant	\$ 317,317		\$ 13,472	\$ 4,626	\$ 13,584	\$ 4,664	\$ 112	\$ 38	

OTTER TAIL POWER COMPANY

Statement B

Comparison of Current and Updated Accruals

Current: VG Procedure / RL Technique

Proposed: VG Procedure / RL Technique

Account Description	12/31/21 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	
TRANSMISSION PLANT									
353.00 Station Equipment	\$ 169,006,871	0.37439281	\$ 2,619,607	\$ 980,762	\$ 2,619,607	\$ 980,762	\$ -	\$ -	
354.00 Towers and Fixtures	191,044,804	0.37439281	2,789,254	1,044,277	2,808,359	1,051,429	19,105	7,152	
355.00 Poles and Fixtures	163,278,820	0.37439281	3,020,658	1,130,913	3,053,314	1,143,139	32,656	12,226	
356.00 Overhead Conductors and Devices	178,312,969	0.37439281	2,888,670	1,081,497	2,906,501	1,088,173	17,831	6,676	
358.00 Underground Conductors and Devices	99,466	0.37439281	597	224	1,393	522	796	298	
Total Transmission Plant	\$ 701,742,930		\$ 11,318,786	\$ 4,237,673	\$ 11,389,174	\$ 4,264,025	\$ 70,388	\$ 26,352	
DISTRIBUTION PLANT									
362.00 Station Equipment	\$ 93,989,896	0.45059508	\$ 1,814,005	\$ 817,382	\$ 1,823,404	\$ 821,617	\$ 9,399	\$ 4,235	
364.00 Poles, Towers and Fixtures	81,910,745	0.45059508	2,383,603	1,074,040	2,375,412	1,070,349	(8,191)	(3,691)	
365.00 Overhead Conductors and Devices	58,583,119	0.45059508	1,335,695	601,858	1,341,553	604,497	5,858	2,639	
367.00 Underground Conductors and Devices	101,015,178	0.45059508	2,091,014	942,201	2,121,319	955,856	30,305	13,655	
368.00 Line Transformers	120,031,810	0.45059508	2,100,557	946,501	2,076,550	935,683	(24,007)	(10,818)	
369.00 Overhead Services	13,853,765	0.45059508	815,987	367,680	814,601	367,055	(1,386)	(625)	
369.10 Underground Services	47,930,412	0.45059508	1,078,434	485,937	1,083,227	488,097	4,793	2,160	
370.00 Meters	27,785,491	0.45059508	936,371	421,924	925,257	416,916	(11,114)	(5,008)	
370.05 Smart Meters	921,313	0.45059508	47,540	21,421	47,632	21,463	92	42	
370.10 Load Management Switches	8,899,439	0.45059508	121,032	54,536	80,095	36,090	(40,937)	(18,446)	
371.10 Electric Vehicle Charging Stations	26,200	0.45059508	2,620	1,181	2,620	1,181			
371.20 Other Private Lighting	8,533,104	0.45059508	319,138	143,802	334,498	150,723	15,360	6,921	
373.00 Street Lighting and Signal Systems	10,440,649	0.45059508	470,873	212,173	494,887	222,994	24,014	10,821	
Total Distribution Plant	\$ 573,921,121		\$ 13,516,869	\$ 6,090,636	\$ 13,521,055	\$ 6,092,521	\$ 4,186	\$ 1,885	
GENERAL PLANT									
Depreciable									
390.00 Structures and Improvements	\$ 21,205,647	0.40485106	\$ 398,666	\$ 161,400	\$ 392,304	\$ 158,825	\$ (6,362)	\$ (2,575)	
390.10 General Office Buildings	6,660,529	0.40485106	53,950	21,842	67,271	27,235	13,321	5,393	
390.20 Fleet Service Center Building	733,050	0.40485106	3,592	1,454	(4,838)	(1,959)	(8,430)	(3,413)	
390.25 Fleet Service Center - Jamestown	2,154,593	0.40485106	18,099	7,327	18,745	7,589	646	262	
390.30 Central Stores Building	4,276,593	0.40485106	(22,666)	(9,176)	(22,666)	(9,176)			
396.00 Power Operated Equipment	1,517,303	0.40485106	60,692	24,571	59,782	24,203	(910)	(368)	
397.40 Communication Towers	1,877,722	0.40485106	31,921	12,923	31,734	12,848	(187)	(75)	
Total Depreciable	\$ 38,425,437		\$ 544,254	\$ 220,341	\$ 542,332	\$ 219,565	\$ (1,922)	\$ (776)	

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	12/31/21 Plant Investment B	North Dakota Allocation Factor C	Current Annual Accrual		Updated Annual Accrual		Difference	
			Total	North Dakota	Total	North Dakota	Total	North Dakota
			D	E=C*D	F	G=C*F	H=F-D	I=G-E
Amortizable								
391.00 Office Furniture	\$ 766,687	0.40485106	\$ 51,138	\$ 20,703	\$ 51,138	\$ 20,703	\$ -	\$ -
391.10 Office Equipment	466,306	0.40485106	46,631	18,879	46,631	18,879		
391.20 Duplicating Equipment	201,675	0.40485106	20,168	8,165	20,168	8,165		
391.50 Computer Systems	4,953,359	0.40485106	990,672	401,075	990,672	401,075		
391.60 Computer Related Equipment	2,861,494	0.40485106	572,299	231,696	572,299	231,696		
394.00 Tools, Shop and Garage Equipment	4,736,577	0.40485106	315,930	127,905	315,930	127,905		
394.20 Automated Meter Reading Equipment	991,428	0.40485106	66,128	26,772	66,128	26,772		
397.00 Communication Equipment	3,890,006	0.40485106	259,463	105,044	259,463	105,044		
397.10 Radio Telecommunication Equipment	243,300	0.40485106	24,330	9,850	24,330	9,850		
397.20 Microwave Equipment	3,683,307	0.40485106	245,677	99,463	245,677	99,463		
397.30 Radio Load Control Equipment	459,343	0.40485106	45,934	18,596	45,934	18,596		
Total Amortizable	\$ 23,253,482		\$ 2,638,370	\$ 1,068,148	\$ 2,638,370	\$ 1,068,148	\$ -	\$ -
Total General Plant	\$ 61,678,919		\$ 3,182,624	\$ 1,288,489	\$ 3,180,702	\$ 1,287,713	\$ (1,922)	\$ (776)
TOTAL UTILITY	\$ 2,617,901,596		\$ 67,089,747	\$ 25,227,641	\$ 67,429,879	\$ 25,346,707	\$ 340,132	\$ 119,066
STEAM PRODUCTION								
Big Stone								
311.00 Structures and Improvements	\$ 80,346,657	0.34236620	\$ 2,241,672	\$ 767,473	\$ 2,233,637	\$ 764,722	\$ (8,035)	\$ (2,751)
312.00 Boiler Plant Equipment	200,576,526	0.34236620	6,859,717	2,348,535	6,919,890	2,369,136	60,173	20,601
312.10 Boiler Plant Equipment - Landfill								
314.00 Turbogenerator Units	31,024,229	0.34236620	521,207	178,444	539,822	184,817	18,615	6,373
315.00 Accessory Electric Equipment	21,065,840	0.34236620	528,753	181,027	528,753	181,027		
316.00 Miscellaneous Power Plant Equipment	3,414,415	0.34236620	86,726	29,692	89,458	30,627	2,732	935
Total Big Stone	\$ 336,427,667		\$ 10,238,075	\$ 3,505,171	\$ 10,311,560	\$ 3,530,329	\$ 73,485	\$ 25,158
Hoot Lake Units 2 and 3								
311.00 Structures and Improvements	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
312.00 Boiler Plant Equipment								
312.10 Boiler Plant Equipment - Landfill	10,412,772	0.34236620	233,246	79,856	233,246	79,856		
314.00 Turbogenerator Units								
315.00 Accessory Electric Equipment								
316.00 Miscellaneous Power Plant Equipment								
Total Hoot Lake Units 2 and 3	\$ 10,412,772		\$ 233,246	\$ 79,856	\$ 233,246	\$ 79,856	\$ -	\$ -

OTTER TAIL POWER COMPANY

Statement B

Comparison of Current and Updated Accruals

Current: VG Procedure / RL Technique

Proposed: VG Procedure / RL Technique

Account Description	12/31/21 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
Coyote								
311.00 Structures and Improvements	\$ 34,878,682	0.34236620	\$ 578,986	\$ 198,225	\$ 582,474	\$ 199,419	\$ 3,488	\$ 1,194
312.00 Boiler Plant Equipment	106,611,458	0.34236620	2,537,353	868,704	2,558,675	876,004	21,322	7,300
312.10 Boiler Plant Equipment - Landfill								
314.00 Turbogenerator Units	23,958,531	0.34236620	613,338	209,986	613,338	209,986		
315.00 Accessory Electric Equipment	12,139,688	0.34236620	217,300	74,396	218,514	74,812	1,214	416
316.00 Miscellaneous Power Plant Equipment	2,386,532	0.34236620	76,608	26,228	81,619	27,944	5,011	1,716
Total Coyote	\$ 179,974,891		\$ 4,023,585	\$ 1,377,539	\$ 4,054,620	\$ 1,388,165	\$ 31,035	\$ 10,626
HYDRAULIC PRODUCTION								
Hoot Lake								
331.00 Structures and Improvements	\$ 69,354	0.34236620	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
332.00 Reservoirs, Dams and Waterways	297,674	0.34236620	119	41	119	41		
333.00 Water Wheels, Turbines & Generators	104,195	0.34236620	31	11	31	11		
334.00 Accessory Electric Equipment	490,174	0.34236620	196	67	11,862	4,061	11,666	3,994
335.00 Miscellaneous Power Plant Equipment	48,801	0.34236620	117	40	112	38	(5)	(2)
Total Hoot Lake	\$ 1,010,198		\$ 463	\$ 159	\$ 12,124	\$ 4,151	\$ 11,661	\$ 3,992
Wright								
331.00 Structures and Improvements	\$ 19,026	0.34236620	\$ 11	\$ 4	\$ 11	\$ 4	\$ -	\$ -
332.00 Reservoirs, Dams and Waterways	892,711	0.34236620	1,875	642	1,875	642		
333.00 Water Wheels, Turbines & Generators	545,392	0.34236620	436	149	436	149		
334.00 Accessory Electric Equipment	202,552	0.34236620	223	76	223	76		
335.00 Miscellaneous Power Plant Equipment	115,218	0.34236620	196	67	196	67		
Total Wright	\$ 1,774,899		\$ 2,741	\$ 938	\$ 2,741	\$ 938	\$ -	\$ -
Pisgah								
331.00 Structures and Improvements	\$ 12,118	0.34236620	\$ 6	\$ 2	\$ 6	\$ 2	\$ -	\$ -
332.00 Reservoirs, Dams and Waterways	3,039,881	0.34236620	69,917	23,937	68,093	23,313	(1,824)	(624)
333.00 Water Wheels, Turbines & Generators	159,732	0.34236620	224	77	224	77		
334.00 Accessory Electric Equipment	102,487	0.34236620	133	46	133	46		
335.00 Miscellaneous Power Plant Equipment	62,744	0.34236620	157	54	151	52	(6)	(2)
Total Pisgah	\$ 3,376,962		\$ 70,437	\$ 24,116	\$ 68,607	\$ 23,490	\$ (1,830)	\$ (626)
Dayton Hollow								
331.00 Structures and Improvements	\$ 16,269	0.34236620	\$ 36	\$ 12	\$ 34	\$ 12	\$ (2)	\$ -
332.00 Reservoirs, Dams and Waterways	2,028,900	0.34236620	18,463	6,321	21,506	7,363	3,043	1,042
333.00 Water Wheels, Turbines & Generators	226,751	0.34236620	317	109	295	101	(22)	(8)
334.00 Accessory Electric Equipment	193,342	0.34236620	193	66	174	60	(19)	(6)
335.00 Miscellaneous Power Plant Equipment	111,159	0.34236620	256	88	245	84	(11)	(4)
Total Dayton Hollow	\$ 2,576,421		\$ 19,265	\$ 6,596	\$ 22,254	\$ 7,620	\$ 2,989	\$ 1,024

OTTER TAIL POWER COMPANY

Statement B

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Proposed: VG Procedure / RL Technique

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			Total D	North Dakota E=C*D	Total F	North Dakota G=C*F	Total H=F-D	North Dakota I=G-E
Taplin Gorge								
331.00 Structures and Improvements	\$ 35,140	0.34236620	\$ 7	\$ 2	\$ 7	\$ 2	\$ -	\$ -
332.00 Reservoirs, Dams and Waterways	602,762	0.34236620	784	268	784	268		
333.00 Water Wheels, Turbines & Generators	15,110	0.34236620	3	1	3	1		
334.00 Accessory Electric Equipment	58,695	0.34236620	47	16	47	16		
335.00 Miscellaneous Power Plant Equipment	96,303	0.34236620	173	59	164	56	(9)	(3)
Total Taplin Gorge	\$ 808,010		\$ 1,014	\$ 346	\$ 1,005	\$ 343	\$ (9)	\$ (3)
OTHER PRODUCTION								
Jamestown								
341.00 Structures and Improvements	\$ 311,512	0.34236620	\$ 6,532	\$ 2,237	\$ 6,498	\$ 2,225	\$ (34)	\$ (12)
342.00 Fuel Holders and Accessories	415,964	0.34236620	12,110	4,146	12,069	4,132	(41)	(14)
343.00 Prime Movers	6,952,527	0.34236620	119,531	40,923	118,533	40,582	(998)	(341)
344.00 Generators								
345.00 Accessory Electric Equipment	227,590	0.34236620	5,918	2,026	5,903	2,021	(15)	(5)
346.00 Miscellaneous Power Plant Equipment	88,665	0.34236620	3,182	1,089	3,165	1,084	(17)	(5)
Total Jamestown	\$ 7,996,258		\$ 147,273	\$ 50,421	\$ 146,168	\$ 50,044	\$ (1,105)	\$ (377)
Jamestown Unit 1								
341.00 Structures and Improvements	\$ 286,659	0.34236620	\$ 5,762	\$ 1,973	\$ 5,733	\$ 1,963	\$ (29)	\$ (10)
342.00 Fuel Holders and Accessories	379,195	0.34236620	11,603	3,972	11,565	3,959	(38)	(13)
343.00 Prime Movers	3,030,866	0.34236620	60,314	20,649	59,708	20,442	(606)	(207)
344.00 Generators								
345.00 Accessory Electric Equipment	155,272	0.34236620	2,779	951	2,779	951		
346.00 Miscellaneous Power Plant Equipment	85,462	0.34236620	3,188	1,091	3,171	1,086	(17)	(5)
Total Jamestown Unit 1	\$ 3,937,454		\$ 83,646	\$ 28,636	\$ 82,956	\$ 28,401	\$ (690)	\$ (235)
Jamestown Unit 2								
341.00 Structures and Improvements	\$ 24,853	0.34236620	\$ 770	\$ 264	\$ 765	\$ 262	\$ (5)	\$ (2)
342.00 Fuel Holders and Accessories	36,769	0.34236620	507	174	504	173	(3)	(1)
343.00 Prime Movers	3,921,661	0.34236620	59,217	20,274	58,825	20,140	(392)	(134)
344.00 Generators								
345.00 Accessory Electric Equipment	72,318	0.34236620	3,139	1,075	3,124	1,070	(15)	(5)
346.00 Miscellaneous Power Plant Equipment	3,203	0.34236620	(6)	(2)	(6)	(2)		
Total Jamestown Unit 2	\$ 4,058,804		\$ 63,627	\$ 21,785	\$ 63,212	\$ 21,643	\$ (415)	\$ (142)

OTTER TAIL POWER COMPANY

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			Total D	North Dakota E=C*D	Total F	North Dakota G=C*F	Total H=F-D	North Dakota I=G-E	
Lake Preston									
341.00 Structures and Improvements	\$ 233,982	0.34236620	\$ 3,814	\$ 1,306	\$ 3,791	\$ 1,298	\$ (23)	\$ (8)	
342.00 Fuel Holders and Accessories	328,705	0.34236620	5,785	1,981	5,752	1,969	(33)	(12)	
343.00 Prime Movers	3,282,642	0.34236620	51,866	17,757	51,866	17,757			
344.00 Generators									
345.00 Accessory Electric Equipment	400,094	0.34236620	6,602	2,260	6,562	2,247	(40)	(13)	
346.00 Miscellaneous Power Plant Equipment	21,607	0.34236620	214	73	214	73			
Total Lake Preston	\$ 4,267,030		\$ 68,281	\$ 23,377	\$ 68,185	\$ 23,344	\$ (96)	\$ (33)	
Solway Combustion Turbine									
341.00 Structures and Improvements	\$ 4,816,246	0.34236620	\$ 155,565	\$ 53,260	\$ 156,046	\$ 53,425	\$ 481	\$ 165	
342.00 Fuel Holders and Accessories	1,066,896	0.34236620	34,354	11,762	35,634	12,200	1,280	438	
343.00 Prime Movers	20,691,282	0.34236620	811,098	277,693	811,098	277,693			
344.00 Generators									
345.00 Accessory Electric Equipment	1,310,193	0.34236620	42,057	14,399	41,926	14,354	(131)	(45)	
346.00 Miscellaneous Power Plant Equipment	318,649	0.34236620	11,089	3,796	11,057	3,786	(32)	(10)	
Total Solway Combustion Turbine	\$ 28,203,266		\$ 1,054,163	\$ 360,910	\$ 1,055,761	\$ 361,458	\$ 1,598	\$ 548	
Astoria Station Combustion Turbine									
341.00 Structures and Improvements	\$ 23,561,979	0.34236620	\$ 688,010	\$ 235,551	\$ 709,216	\$ 242,812	\$ 21,206	\$ 7,261	
342.00 Fuel Holders and Accessories	5,543,995	0.34236620	161,885	55,424	166,874	57,132	4,989	1,708	
343.00 Prime Movers	101,177,910	0.34236620	2,954,395	1,011,485	3,045,455	1,042,661	91,060	31,176	
344.00 Generators									
345.00 Accessory Electric Equipment	6,929,994	0.34236620	202,356	69,280	208,593	71,415	6,237	2,135	
346.00 Miscellaneous Power Plant Equipment	1,385,999	0.34236620	40,471	13,856	41,719	14,283	1,248	427	
Total Astoria Station Combustion Turbine	\$ 138,599,877		\$ 4,047,117	\$ 1,385,596	\$ 4,171,857	\$ 1,428,303	\$ 124,740	\$ 42,707	
Fergus Falls Control Center									
341.00 Structures and Improvements	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
342.00 Fuel Holders and Accessories									
343.00 Prime Movers	591,638	0.34236620	21,003	7,191	20,944	7,171	(59)	(20)	
344.00 Generators									
345.00 Accessory Electric Equipment									
346.00 Miscellaneous Power Plant Equipment									
Total Fergus Falls Control Center	\$ 591,638		\$ 21,003	\$ 7,191	\$ 20,944	\$ 7,171	\$ (59)	\$ (20)	

OTTER TAIL POWER COMPANY

Comparison of Current and Updated Accruals

Current: VG Procedure / RL Technique

Proposed: VG Procedure / RL Technique

Statement B

Account Description A	12/31/21 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	
WIND PRODUCTION									
Ashtabula									
341.00 Structures and Improvements	\$ 3,248,290	0.34336253	\$ 82,831	\$ 28,441	\$ 82,507	\$ 28,330	\$ (324)	\$ (111)	
344.00 Generators	107,489,257	0.34336253	2,826,967	970,675	2,826,967	970,675			
345.00 Accessory Electric Equipment	6,479,774	0.34336253	167,826	57,625	167,178	57,403	(648)	(222)	
346.00 Miscellaneous Power Plant Equipment	122,301	0.34336253	6,188	2,125	6,176	2,121	(12)	(4)	
Total Ashtabula	\$ 117,339,622		\$ 3,083,812	\$ 1,058,866	\$ 3,082,828	\$ 1,058,529	\$ (984)	\$ (337)	
Langdon									
341.00 Structures and Improvements	\$ 2,484,069	0.34336253	\$ 62,350	\$ 21,409	\$ 62,350	\$ 21,409	\$ -	\$ -	
344.00 Generators	70,109,887	0.34336253	1,857,912	637,937	1,857,912	637,937			
345.00 Accessory Electric Equipment	7,407,275	0.34336253	189,626	65,110	188,886	64,856	(740)	(254)	
346.00 Miscellaneous Power Plant Equipment	153,450	0.34336253	7,565	2,598	7,534	2,587	(31)	(11)	
Total Langdon	\$ 80,154,681		\$ 2,117,453	\$ 727,054	\$ 2,116,682	\$ 726,789	\$ (771)	\$ (265)	
Luverne									
341.00 Structures and Improvements	\$ 2,266,581	0.34336253	\$ 61,198	\$ 21,013	\$ 60,971	\$ 20,935	\$ (227)	\$ (78)	
344.00 Generators	68,571,113	0.34336253	1,947,420	668,671	1,974,848	678,089	27,428	9,418	
345.00 Accessory Electric Equipment	4,863,837	0.34336253	131,324	45,092	130,837	44,925	(487)	(167)	
346.00 Miscellaneous Power Plant Equipment	176,670	0.34336253	8,056	2,766	8,056	2,766			
Total Luverne	\$ 75,878,201		\$ 2,147,998	\$ 737,542	\$ 2,174,712	\$ 746,715	\$ 26,714	\$ 9,173	
Merricourt									
341.00 Structures and Improvements	\$ 7,816,232	0.34336253	\$ 248,556	\$ 85,345	\$ 248,556	\$ 85,345	\$ -	\$ -	
344.00 Generators	234,486,959	0.34336253	7,456,685	2,560,346	7,456,685	2,560,346			
345.00 Accessory Electric Equipment	18,237,875	0.34336253	579,964	199,138	579,964	199,138			
346.00 Miscellaneous Power Plant Equipment		0.34336253							
Total Merricourt	\$ 260,541,066		\$ 8,285,205	\$ 2,844,829	\$ 8,285,205	\$ 2,844,829	\$ -	\$ -	
SOLAR PRODUCTION									
Jamestown									
343.00 Prime Movers	\$ 161,194	0.34336253	\$ 6,899	\$ 2,369	\$ 6,964	\$ 2,391	\$ 65	\$ 22	
Total Jamestown	\$ 161,194		\$ 6,899	\$ 2,369	\$ 6,964	\$ 2,391	\$ 65	\$ 22	
Rush Lake									
343.00 Prime Movers	\$ 156,123	0.34336253	\$ 6,573	\$ 2,257	\$ 6,620	\$ 2,273	\$ 47	\$ 16	
Total Rush Lake	\$ 156,123		\$ 6,573	\$ 2,257	\$ 6,620	\$ 2,273	\$ 47	\$ 16	

Minnesota Public Utilities
Commission Order
Dated December 7, 2022

Docket No. E017/D-22-483

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

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

Chair
Commissioner
Commissioner
Commissioner
Commissioner

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

SERVICE DATE: December 7, 2022

DOCKET NO. E-017/D-22-483

In the Matter of Otter Tail Power Company's Petition for Approval of its 2022 Annual Review of Depreciation Certification

The above entitled matter has been considered by the Commission and the following disposition made:

1. Approved Otter Tail's depreciation rates, effective January 1, 2023, as summarized in Table 1 in the Department of Commerce comments.
2. Approved the Hoot Lake Solar Project initial average year of final retirement of 2058, remaining life of 35.5 years, and net salvage of 8.1%.
3. Approved Otter Tail's Hydro plants updated average year of final retirement to June, 2062, consistent with the Company's FERC licensing and its mid-year depreciation convention.
4. Required Otter Tail, in its next five-year depreciation study, to include the supporting schedules for each of its transmission, distribution, and general plant accounts.
5. Required Otter Tail to file its next five-year depreciation study by September 1, 2023.

This decision is issued by the Commission's consent calendar subcommittee, under a delegation of authority granted under Minn. Stat. § 216A.03, subd. 8 (a). Unless a party, a participant, or a Commissioner files an objection to this decision within ten days of receiving it, it will become the Order of the full Commission under Minn. Stat. § 216A.03, subd. 8 (b).

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

BY ORDER OF THE COMMISSION



Will Seuffert
Executive Secretary



To request this document in another format such as large print or audio, call 651.296.0406 (voice). Persons with a hearing or speech impairment may call using their preferred Telecommunications Relay Service or email consumer.puc@state.mn.us for assistance.

November 16, 2022

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

RE: **Comments of the Minnesota Department of Commerce, Division of Energy Resources**
Docket No. E017/D-22-483

Dear Mr. Seuffert:

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

Otter Tail Power Company's Petition for Approval of its 2022 Annual Review of Depreciation Certification.

Loyal K. Demmer, CMA, Senior Depreciation Accountant of Otter Tail Power Company filed the Petition on September 1, 2022.

The Department concludes the proposed average service lives, net salvage values and resulting depreciation rates are supported by the record and appear reasonable. The Department recommends the Commission approve Otter Tail Power Company's Petition.

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

Sincerely,

/s/ANGIE SKAYER
Financial Analyst

/s/STEPHEN COLLINS
Financial Analyst

ALS/SC/ja
Attachment



Before the Minnesota Public Utilities Commission

Comments of the Minnesota Department of Commerce Division of Energy Resources

Docket No. E017/D-22-483

I. INTRODUCTION

On September 1, 2022 Otter Tail Power Company (Otter Tail, OTP, or the Company) filed its 2022 Annual Review of Depreciation Certification (Petition) with the Minnesota Public Utilities Commission (Commission) in Docket No. E017/D-22-483.¹ Otter Tail Power Company is requesting approval of the proposed remaining lives and salvage percentages based on plant-in-service and accumulated reserve balances as of December 31, 2021, effective January 1, 2023 for 2023 depreciation rates and accumulated reserve calculation purposes.

[Minnesota Statutes § 216B.11](#) and [Minnesota Rules 7825.0500 through 7825.0900](#) require this annual filing.

II. DEPRECIATION BACKGROUND

The Commission requires utilities to file five-year comprehensive depreciation studies for an in-depth analysis of plant-in-service lives and salvage values. The utilities' petitions address the underlying parameters used to calculate depreciation accrual rates in the five-year depreciation studies.² The Commission approved Otter Tail's last five-year depreciation filing on July 17, 2019 in Docket No. E017/D-18-568. Otter Tail's next five-year comprehensive depreciation filing is due September 1, 2023.³

In addition to the five-year studies, the Commission also requires utilities to review depreciation annually to determine if the established depreciation rates and salvage values are still appropriate.⁴ For utility rate regulation purposes, depreciation accounting is a process of allocation, not of valuation.⁵ The utility rate regulation system of accounting's goal is to distribute the cost of capital assets, less net salvage, over the useful life in a systematic and rational manner.⁶

¹ OTP's annual depreciation certification filing updates are to be filed on or before September 1st of each year in the four interim years between the five-year comprehensive depreciation studies. OTP's next five-year comprehensive study is due September 1, 2023.

² [Minnesota Rules 7825.0600, Subpart D](#)

³ Petition, page 3

⁴ [Minnesota Rules 7825.0600, Subpart D](#)

⁵ [Minnesota Rules 7825.0500, Subpart 7](#)

⁶ [Minnesota Rules 7825.0500, Subpart 7](#)

Utilities must use straight-line depreciation unless the utility can justify a different method.⁷ A straight-line method takes the original cost of an asset, adjusted for net salvage, and charges the cost in equal amounts over the asset's probable service life.⁸ The probable service life is the time period from the asset's initial installation to the forecasted retirement or removal from service date.⁹

The depreciation technique is an additional aspect of the depreciation process. It informs what measure of the asset's service life the Company uses to calculate the depreciation rate. Utilities may choose to apply an average service life (ASL) or remaining life technique. When utilities use the ASL technique to depreciate group property, the life and salvage factors, as well as the resulting depreciation rates, remain unchanged between studies.

For companies using the remaining life (RL) technique to determine the depreciable (useful) lives of their capital assets, depreciation rates must be updated annually to reflect the passage of time and the impact of plant activity, such as capital improvements or retirements on remaining lives. A utility using a remaining life technique is required to file annual depreciation updates. The Commission uses these updates as an opportunity to approve changes in depreciation rates.

III. SUMMARY OF OTTER TAIL POWER COMPANY'S PETITION

Otter Tail uses the remaining life technique except for its General Plant accounts, which it uses amortization accounting, and therefore is required to file annual updates to reflect the passage of time. Otter Tail's current annual depreciation rates and reserve balances were approved by the Commission on March 1, 2022 in Docket No. E017/D-21-669. In the Company's current Petition, Otter Tail proposes to modify the approved remaining lives, salvage percentages, and resulting depreciation for 2023.

The Company's proposed changes to its depreciation rates results in a composite rate of 2.58%, an increase of approximately 0.13% or \$340,132, \$184,483 for the Minnesota jurisdiction.¹⁰ Table 1 below summarizes the depreciation rate changes for the overall plant accounts and Minnesota jurisdiction levels.

⁷ [Minnesota Rules 7825.0800](#)

⁸ [Minnesota Rules 7825.0500, Subpart 14](#)

⁹ [Minnesota Rules 7825.0500, Subpart 10](#)

¹⁰ Petition, Attachment 1, page 14

Table 1: 2022 Proposed Rate Changes

Accrual Rates				2022 Annualized Accrual					
Function	Current Rate	Updated Rate	Rate Change	Current \$ Amount	Updated \$ Amount	Overall \$ Change	Minnesota Current \$ Amount	Minnesota Updated \$ Amount	Minnesota \$ Change
	A	B	C	D=C-B	E	F	G=F-E	H	I
Intangible Plant	11.54%	11.54%	0.00%	3,496,865	3,496,865	-	1,724,776	1,724,776	-
Steam Production	2.75%	2.78%	0.03%	14,494,906	14,599,426	104,520	7,969,810	8,027,279	57,469
Hydraulic Production	0.98%	1.11%	0.13%	93,920	106,731	12,811	51,641	58,686	7,045
Other Production	2.97%	3.04%	0.07%	5,337,837	5,462,915	125,078	2,934,930	3,003,706	68,776
Wind Production	2.93%	2.94%	0.01%	15,634,468	15,659,427	24,959	8,584,004	8,597,708	13,704
Solar Production	4.24%	4.28%	0.04%	13,472	13,584	112	7,397	7,459	62
Transmission	1.61%	1.62%	0.01%	11,318,786	11,389,174	70,388	5,871,995	5,908,510	36,515
Distribution	2.36%	2.36%	0.00%	13,516,869	13,521,055	4,186	6,005,844	6,007,704	1,860
General Plant	5.16%	5.15%	-0.01%	3,182,624	3,180,702	(1,922)	1,569,782	1,568,834	(948)
Total Utility	2.56%	2.58%	0.01%	67,089,747	67,429,879	340,132	34,720,179	34,904,662	184,483

IV. COMPLIANCE WITH APPLICABLE STATUTES, RULES, AND COMMISSION ORDERS

The Minnesota Department of Commerce (Department) examined the Petition for compliance with applicable statutes, rules, and Commission Orders.

A. [MINNESOTA STATUTES § 216B.11 AND MINNESOTA RULES 7825.0500 THROUGH 7825.0900](#)

The Department concludes Otter Tail’s Petition meets Minnesota Statutes § 216B.11 and Minnesota Rules 7825.0500 through 7825.0900.

B. *COMPLIANCE WITH PRIOR COMMISSION ORDERS*

1. *Comparison of Retirement Estimates to Integrated Resource Plan (IRP)*

Commission’s order point six dated, July 17, 2019, in Docket No. E017/D-18-568 states:

The Company shall include a comparison of the retirement estimates used in its most current Integrated Resource Plan (IRP) to remaining lives used in its depreciation filing and explain any differences.

Attachment 4 of Otter Tail's Petition is a comparison of changes to the retirement estimates used in the Company's most recent IRP to this depreciation filing. Otter Tail identifies the approved changes to wind lives for Langdon, Ashtabula, Luverne, and Merricourt. The Company also identifies a 40-year increase in Hydro lives due to new FERC licensing. The Fergus Control Center is identified as 2030 due to EPA Rice rules. In addition, Astoria decreased by six months, using a mid-year depreciation convention.¹¹

2. *Comparison of Astoria Station and Short-Term Peaking Costs*

Commission's order point four, dated March 1, 2022, in Docket No. E017/D-21-669 states:

In its next depreciation filing, Otter Tail must include peaking capacity cost information ordered by the Commission in Docket No. E017/RP-05-968, comparing its new in-service Astoria Station peaking capacity costs to the short-term peaking capacity costs approved in the general rate case E017/GR-1033.

Otter Tail Power Company complied with the ruling by including a cost comparison for net dependable capacity of its Astoria Peaking station versus the 2016 rate case, Docket No. E017/GR-15-1033 in its current Petition. In its analysis, the Company identifies a positive variance of \$442 from the 2016 replacement cost resulting from the larger scale 250 MW plant over the 109 MW legacy plant.¹²

3. *Hydro License Application*

Commission's order point five, dated March 1, 2022, in Docket No. E017/D-21-669 states:

Otter Tail must provide in its next depreciation filing the status of its Hydro license application including the term granted by the Federal Energy Regulatory Commission (FERC).

FERC issued Otter Tail a new Hydro license in February of 2021 (project number 10853-022). The license is for a forty-year term and expires in 2062 due to the temporary license originally granted.¹³

The Department concludes Otter Tail's Petition meets all prior Commission Orders pertinent to this annual depreciation filing.

¹¹ Petition, Attachment 4

¹² Petition, Pages 4-5

¹³ Petition, Page 6

V. DEPARTMENT ANALYSIS

The Minnesota Department of Commerce (Department) examined the Petition for reasonableness of the proposed changes to remaining lives, salvage values and resulting depreciation. Otter Tail's technical update was completed by Foster Associates Consultants, LLC using the parameters developed in the Company's last five-year depreciation study. Otter Tail's current accrual rates were approved in Docket No. E017/D-21-669.¹⁴ The Department discusses Otter Tail's Petition below.

A. HYDRO RELICENSING

In its Petition, Otter Tail requests to change the average year of final retirement (AYFR) of the Hydro plants to June, 2062 consistent with the FERC licensing the Company received and the mid-year depreciation convention assigned.¹⁵

The Department concurs a AYFR of June, 2062 for the Hydro plants is consistent with FERC's licensing, received in February 2021, and the Company's mid-year depreciation convention. The Department recommends the Commission approve Otter Tail's request.

B. HOOT LAKE SOLAR PROJECT

In anticipation of Hoot Lake Solar going into service in 2023, Otter Tail is requesting an average year of final retirement (AYFR) of 2058 and a remaining life (RL) of 35.5 years based on the average service life of 35 years and mid-year depreciation convention. In addition, the Company requests an initial 8.1% net salvage.

In its 2016 IRP, Docket No. E017/RP-16-386 the Commission directed Otter Tail to include the addition of 30 MW of solar in or about 2020.¹⁶ In response to the direction, Otter Tail identified the Hoot Lake Solar Project as its preferred addition. The Commission approved the Hoot Lake Solar Project on April 29, 2021 in Docket No. E017/M-20-844. In its April 29, 2021 order, the Commission approved the future cost of the Hoot Lake Solar Project to go through the Renewable Cost Recovery Rider.

The Department requested supporting documentation to determine the accuracy of the average service life, remaining life, and net salvage from the Company. In Information Request 1, Otter Tail provided a benchmark study published by Berkeley Lab in June 2020, as well as responses to several inquiries.¹⁷ The study discusses the trend toward increasing lives of solar projects in addition to

¹⁴ Petition, Attachment 1, Page 3

¹⁵ Petition, Page 6

¹⁶ Commission Orders, Docket No. E017/RP-16-386, Order Point four

¹⁷ Docket No. E017/D-22-483, Information Request 1, Attachment 1: Berkeley Lab, June 2020

operational and maintenance costs associated with the increased lives. The Department notes this is a small study; however, the Department confirmed the data in Berkeley's 2022 report.¹⁸

Otter Tail uses a mid-year convention for depreciation, meaning six months will be added to the service life of the asset. In this methodology the calculation of the 35.5 years is accurate.

Otter Tail's initial pre-construction decommissioning estimate was completed in May 2021. Otter Tail plans to include Hoot Lake Solar in its 2023 Decommissioning Study if the construction is at a point where the study warrants; however, if not, another study is expected within the required five-year time period.¹⁹

The Department concludes Otter Tail provided sufficient support to establish an initial AYFR of 2058, RL of 35.5 years, and a net salvage of 8.1%. The Department recommends the Commission approve Otter Tail's request for initial depreciation parameters for Hoot Lake Solar.

C. COYOTE STATION

Otter Tail is not requesting changes to depreciation for Coyote Station in this depreciation docket. In its most recent pending IRP, Docket No. E017/RP-21-339, Otter Tail requested approval to withdraw its ownership interest in Coyote Station. Currently, Coyote Station has an end-of-life of 2041. If the Commission approves Otter Tail's request, the Company estimates withdrawal of ownership could be completed as early as 2028, meaning Otter Tail would have an undepreciated plant balance. To address this Otter Tail also requested, in the pending IRP, to move the remaining undepreciated balance into a regulatory asset.²⁰

The Department will not comment on Coyote Station as no changes are being made to the current depreciation and the IRP Docket No. E017/RP-21-339 is currently pending.

D. REASONABLENESS OF THE PROPOSED ANNUAL ACCRUAL RATES

Otter Tail derives its remaining lives and net salvage values during the Company's five-year in-depth depreciation studies. During the annual technical updates, Otter Tail adjusts its annual accrual rates based on remaining life, depreciation reserve and net salvage rate.²¹

¹⁸ https://emp.lbl.gov/sites/default/files/utility_scale_solar_2022_edition_slides.pdf

¹⁹ Information Request 1, No.3

²⁰ Petition, Page 7

²¹ Petition, Attachment 1, Page 3

In Otter Tail's current Petition, the Company's proposed changes to its depreciation rates results in a composite rate of 2.58%, an increase of approximately 0.13% or \$340,132, \$184,483 for the Minnesota jurisdiction. The primary drivers for the increase are steam production and other production, they are discussed below.

1. Steam Production

Steam Production includes structures and improvements, boiler plant equipment, boiler plant equipment-landfill, turbo generator, accessory and miscellaneous.

The Steam Production grouping is increasing 3% or \$104.5K, \$57K for the Minnesota Jurisdictional level. Investments in Boiler plant equipment are driving the increase.

2. Other Production

Other Production includes structures and improvements, fuel holders and accessories, prime movers, generators, accessory and miscellaneous electric.

The Other Production grouping is increasing 7% or \$125K, \$69K for the Minnesota Jurisdictional level. Investments in structures and improvements and prime movers are driving the increase.

E. RESERVE REBALANCING

On January 7, 2012 in Docket No. E017/D-11-866, the Commission issued an order discontinuing Otter Tail's practice of rebalancing its reserve. In the instant docket, Otter Tail complied with this order and did not request to rebalance its reserves.

IV. CONCLUSIONS AND RECOMMENDATIONS

The Department concludes Otter Tail Power Company's Petition complies with the applicable statutes, rules and Commission Orders and found the depreciation proposals reasonable.

This docket does not address any novel or disputed issues; therefore, the Department recommends approval through the Commission's consent calendar pursuant to Minnesota Rules 7829.1050.

The Department recommends the Commission take the following action:

1. Approve Otter Tail's depreciation rates, effective January 1, 2023, as summarized in Table 1 below:

Table 1: 2022 Proposed Rate Changes

Accrual Rates				2022 Annualized Accrual					
Function	Current Rate	Updated Rate	Rate Change	Current \$ Amount	Updated \$ Amount	Overall \$ Change	Minnesota	Minnesota	Minnesota
							Current \$ Amount	Updated \$ Amount	\$ Change
A	B	C	D=C-B	E	F	G=F-E	H	I	J=I-H
Intangible Plant	11.54%	11.54%	0.00%	3,496,865	3,496,865	-	1,724,776	1,724,776	-
Steam Production	2.75%	2.78%	0.03%	14,494,906	14,599,426	104,520	7,969,810	8,027,279	57,469
Hydraulic Production	0.98%	1.11%	0.13%	93,920	106,731	12,811	51,641	58,686	7,045
Other Production	2.97%	3.04%	0.07%	5,337,837	5,462,915	125,078	2,934,930	3,003,706	68,776
Wind Production	2.93%	2.94%	0.01%	15,634,468	15,659,427	24,959	8,584,004	8,597,708	13,704
Solar Production	4.24%	4.28%	0.04%	13,472	13,584	112	7,397	7,459	62
Transmission	1.61%	1.62%	0.01%	11,318,786	11,389,174	70,388	5,871,995	5,908,510	36,515
Distribution	2.36%	2.36%	0.00%	13,516,869	13,521,055	4,186	6,005,844	6,007,704	1,860
General Plant	5.16%	5.15%	-0.01%	3,182,624	3,180,702	(1,922)	1,569,782	1,568,834	(948)
Total Utility	2.56%	2.58%	0.01%	67,089,747	67,429,879	340,132	34,720,179	34,904,662	184,483

2. Approve the Hoot Lake Solar Project initial average year of final retirement of 2058, remaining life of 35.5 years, and net salvage of 8.1%.
3. Approve Otter Tail’s Hydro plants updated average year of final retirement to June, 2062, consistent with the Company’s FERC licensing and its mid-year depreciation convention.
4. Require Otter Tail, in its next five-year depreciation study, to include the supporting schedules for each of its transmission, distribution, and general plant accounts.
5. Require Otter Tail to file its next five-year depreciation study by September 1, 2023.

OTTER TAIL POWER COMPANY

Docket No: E017-D-22-483

Response to: MN Department of Commerce

Analyst: Angie Skayer

Date Received: November 01, 2022

Date Due: November 14, 2022

Date of Response: November 14, 2022

Responding Witness: Loyal Demmer, Senior Depreciation Accountant - 218 739-8659

Information Request:

Topic: Annual Depreciation Filing

Reference(s): Hoot Lake Solar Project

1. Please provide supporting documentation, in Excel format, for the assignment of the 35-year average service life for Hoot Lake Solar.
2. Please provide a narrative on the assignment of 35.5 years for the remaining life of Hoot Lake Solar if the average service life is 35 years.
3. Please provide the date the initial Hoot Lake Solar pre-constructional decommissioning estimate was completed. In addition, please provide the next date Otter Tail plans to include Hoot Lake Solar in its decommissioning studies.
4. Is Hoot Lake Solar included in any renewable cost recovery dockets, if so, please provide the docket numbers.

Attachments: 2

Attachment 1 to IR MN_DOC_001.pdf

Attachment 2 to IR MN_DOC_001.xlsx

Response:

1.
 - A. Please see Attachment 1 to IR MN-DOC-001 for a pdf version of the Technical Brief dated June 2020 from Lawrence Berkeley National Laboratory (Estimated Solar Project lifetimes on page 3).
 - B. Please see Attachment 2 to IR MN-DOC-002 for a Microsoft Excel rendition of the estimated Hoot Lake Solar depreciation calculation schedule including projected salvage and incorporating the mid-year convention as adopted in depreciation studies.

2. Depreciation Accounting and Depreciation Studies commonly adopt the “mid-year-convention” concept for planning future depreciation expense and accumulated depreciation recognition. Many times, the exact planned in-service date is unknown, and/or the sheer magnitude of annual projects make exact in-service timing hard to predict or to model. The mid-year-convention therefore assumes all plant in service additions and retirements happen mid-year, or on June 30th. This widely accepted concept anticipates that a half year of depreciation takes place in the plant’s first and last years of operation. Or, said differently, the active service life of the project will touch two calendar years more than the actual expected service life in years. That is, during the first calendar year of operation, only the last half of the year will have depreciation, all the interim years will receive one full year of depreciation, then the final year will receive a half year of depreciation for only the first six months of the year.

In the case of the Hoot Lake Solar project, Otter Tail is prospectively requesting Remaining Lives and Salvage percentages for 2023 with a plant in service book date of 12/31/2022. Otter Tail’s current 2022 Depreciation Filing has no plant in service or accumulated depreciation balances for Hoot Lake Solar based on books dated 12/31/2021, nor does it expect to by next year’s filing based on plant in service and accumulated depreciation balances as of 12/31/2022. However, Hoot Lake Solar is estimated to go in-service in 2023 and has need of approved remaining lives and salvage percentages prospectively in this filing. Under the adopted mid-year convention methodology, we will only recognize about a half of the year of planned depreciation calculations for 2023. Please see Attachment 2 to IR MN-DOC-002 for an illustrative example of the mid-year convention and its effect on the timeline for recognizing depreciation expenses calculations over the planned life span of this project.

3. The initial Hoot Lake Solar pre-construction decommissioning plan with its decommissioning estimate was completed May 21, 2021.

Otter Tail typically conducts decommissioning estimates every five years in conjunction with its five-year depreciation filings. Otter Tail’s next five-year depreciation filing will be made in 2023 with plant in service and accumulated depreciation reserves as of December 31st, 2022. Otter Tail plans to include the Hoot Lake Solar site in this study if the site is at a state of construction at the time that warrants its inclusion. Alternatively, another study is expected at an interval not expected to exceed decommissioning plan requirements in the project’s conditional use permits within a 5-year timeframe.

4. The Hoot Lake Solar project is included in the following renewable cost recovery dockets; Docket No. E017/M-21-830 and E017/M-22-577.



June 2020

Benchmarking Utility-Scale PV Operational Expenses and Project Lifetimes: Results from a Survey of U.S. Solar Industry Professionals

Ryan Wiser, Mark Bolinger, and Joachim Seel, Lawrence Berkeley National Laboratory

This paper draws on a survey of solar industry professionals and other sources to clarify trends in the expected useful life and operational expenditure (OpEx) of utility-scale photovoltaic (PV) plants in the United States.

Solar project developers, sponsors, long-term owners, and consultants have increased project-life assumptions over time, from an average of ~21.5 years in 2007 to ~32.5 years in 2019. Current assumptions range from 25 years to more than 35 years depending on the organization; 17 out of 19 organizations surveyed or reviewed use 30 years or more.

Levelized, lifetime OpEx estimates have declined from an average of ~\$35/kW_{DC}-yr for projects built in 2007 to an average of ~\$17/kW_{DC}-yr in 2019. Across 13 sources, the range in average lifetime OpEx for projects built in 2019 is broad, from \$13 to \$25/kW_{DC}-yr. Operations and maintenance (O&M) costs—one component of OpEx—have declined precipitously in recent years, to \$5-8/kW_{DC}-yr in many cases. Property taxes and land lease costs are highly variable across sites, but on average are—together—of similar magnitude. Other OpEx line items include security, insurance, and asset management.

Given 2007-2009 values for not only project life and OpEx but also other drivers of the levelized cost of energy (LCOE, excluding the investment tax credit), the LCOE for utility-scale PV projects built from 2007 through 2009 averaged \$305/MWh. Using 2019 values for all parameters yields an average LCOE of \$51/MWh. The decline in LCOE from \$305/MWh to \$51/MWh was predominantly caused by reductions in up-front expenditures (and, to a much lesser extent, by changes in capacity factors, financing costs, and tax rates), but 9% (\$22/MWh) of the overall decline is due to improvements in project life and OpEx. Project life extensions and OpEx reductions have had similarly sized impacts on LCOE over this period, at \$11/MWh each. Had project life and OpEx not improved over the last decade, LCOE in 2019 would have instead been \$73/MWh—43% higher.

Given the limited quantity and comparability of previously available data on these cost drivers, the data and trends presented here may inform assumptions used by electric system planners, modelers, and analysts. The results may also provide useful benchmarks to the solar industry, helping developers and assets owners compare their expectations for project life and OpEx with those of their peers.

Methods

The findings in this paper draw in part from a brief survey of U.S. solar project developers, sponsors, financiers, and consultants. We distributed the survey in December 2019. Responses were received from seven organizations. Additionally, we conducted a review of the annual financial reports from some of the large, publicly traded solar project developers and owners, yielding a number of additional sets of project-



life assumptions.¹ Ultimately, we assembled 19 different time-series estimates of useful project life.² For OpEx estimates, in addition to seven survey responses, we synthesized data from seven literature sources, leading to 14 different time-series estimates.³

With respect to project life, our interest was in better understanding how expectations for useful life have changed over time, as the industry has grown and matured. We focus on ‘useful’ life, defined here to mean the period of time in which the expected costs and revenues of a project are assessed to determine its economic viability. Typically, an asset with a useful life of, for example, 30 years is expected to earn ongoing operating profits during those 30 years (ongoing revenue > ongoing costs). At the end of year 30, however, either decommissioning or full project repowering would be expected. A longer assumed project life may enhance the expected long-term profitability of a project, assuming any resulting increase in O&M is kept within reasonable bounds. Moreover, longer depreciation terms reduce annual book depreciation from an accounting perspective, thereby boosting net income in the near term. From a planning and modeling perspective, longer lifetimes may enable lower LCOE by recovering up-front capital costs (and, potentially, any component replacement or refurbishment costs) over additional years of electricity production. We specifically sought insights into assumptions most-commonly used by developers and sponsors for project life when considering the lifetime profitability of a project, pitching projects to financiers, and establishing power purchase agreements during the development and financing process. We asked about current assumptions, and how those assumptions have changed over time.

With respect to OpEx, our interest was in total all-in operational expenditures and how expectations for OpEx have changed over time. We define OpEx to include scheduled and unscheduled maintenance, operations personnel, land lease costs, property taxes, and any other ongoing operations costs; some studies focus solely on O&M, but our interest was total OpEx. We sought leveled estimates considering the full expected lifetime of utility-scale PV plants. We asked respondents to report data in $\$/kW_{DC}\text{-yr}$, and requested elaboration on any variations that might exist depending on whether a project is fixed-tilt vs. tracking, whether a project is located in a region with heavy soiling (requiring frequent washing) or vegetation growth (requiring vegetation management), or other project characteristics. We supplement the survey results with estimates from other literature. Much of the available literature does not report all-in OpEx (instead reporting only O&M, or ignoring certain costs); in many cases, coverage and even units are unclear. We therefore adjust literature estimates (and some survey responses) as necessary to ensure greater comparability based on total OpEx, but admit that judgement was required in this process.

For both project life and OpEx, we focused on expectations from project developers, sponsors, and long-term owners because these are the entities most likely to be thinking about the full lifecycle of a project. We also included major consultancies, including those that provide due diligence services to the solar industry. The organizations from which we sourced data have likely been engaged in more than half of all utility-scale PV projects built in the United States since 2007.

¹ In some cases, project-life assumptions that derive from financial reports reflect depreciation- or accounting-based lives, which may in theory differ from useful-life assumptions used by developers and sponsors. However, a review of our results indicates no such bias in the estimates reported later in this paper, as the distribution of responses is generally similar for both sources of data.

² These estimates come from staff and annual reports from: NextEra, EDPR, RES, FirstSolar, EDF, Enel, Pattern, 8point3, Southern Power, PSE&G, BNEF, Lazard, Cypress Creek, Recurrent, Macquarie Capital, Norton Rose Fulbright, MAP, DNV GL, NRG.

³ These estimates come from staff and literature from: RES, BNEF, NREL, FirstSolar, EDF, MAP, NRG, sPower, Lazard, DNV GL, GTM, Wood Mackenzie, IHS Markit.



Estimated Project Lifetimes

Project developers, sponsors, long-term owners, and consultancies now most-commonly assume 30-year or greater useful project lives, as depicted in Figure 1. Current assumptions range from 25 years to more than 35 years depending on the organization; 17 out of 19 organizations use 30 years or more. Modules are now typically warranted for 25- or even 30-years, and are generally expected to have some useful life after warranties expire. Project life expectations from developers, sponsors and owners often exceed, by 5 to 10 years, these module warranty durations.

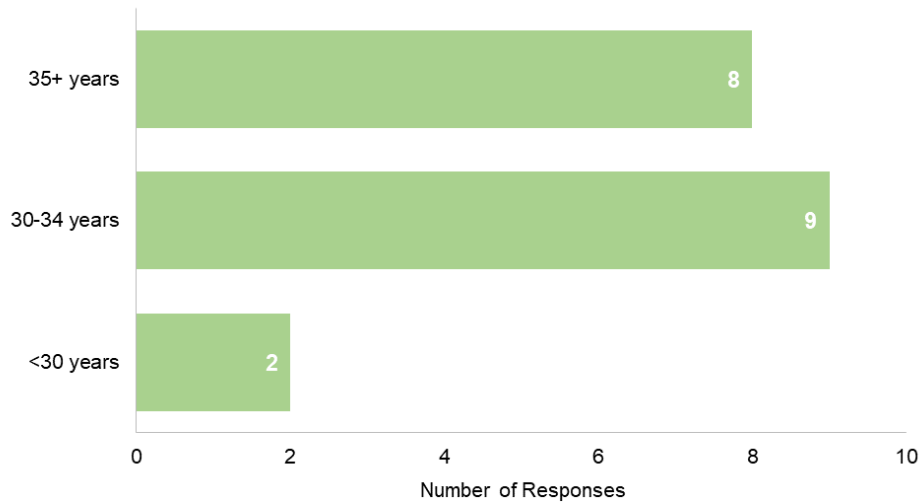


Figure 1. Current Project Life Expectations for Utility-Scale PV

Expectations for the useful life of utility-scale PV projects vary by respondent, but have consistently increased over time—from an average value of ~21.5 years in 2007 to ~32.5 years in 2019 (Figure 2). Directionally, this tracks the increase over time of the typical duration of module warranties.

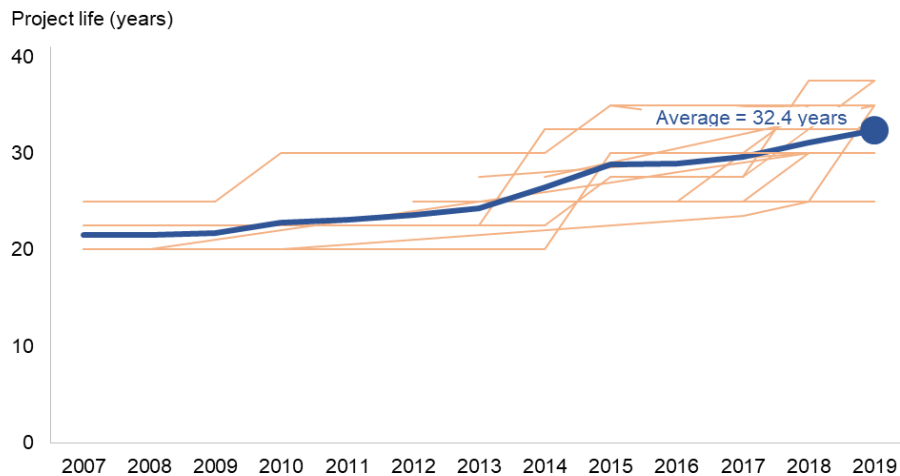


Figure 2. Project Life Expectations for Utility-Scale PV, over Time



One respondent noted a link between project life expectations and the cost of finance. Specifically, the cost of capital is, at present, very low, leading to lower discounting of possible profits in the long term. Previously, with a higher cost of capital, discounting meant that project life beyond 25 years was largely unimportant. The same respondent also noted that as project life expectations have increased, so too has the length of the “merchant tail”—the remaining operational period expected after a fixed-price sales agreement has ended. Expectations for a profitable merchant tail (which may or may not ultimately be fulfilled) helps enable aggressive pricing for initial power sales agreements.

Anticipated Operational Expenditures

Levelized, lifetime OpEx estimates have declined with time, though various sources report different numerical values. Across all sources, lifetime OpEx estimates averaged ~\$35/kW_{DC}-yr for projects built in 2007, declining to ~\$17/kW_{DC}-yr for projects built in 2019 (Figure 3).⁴ The results derived from the industry survey are comparable to the broader literature, as shown by the blue and grey lines in Figure 3. They also generally align with the trend of declining annual solar operations costs reported by regulated utilities, which decreased from an average of \$30/kW_{DC}-yr in 2011 to \$15/kW_{DC}-yr in 2018.⁵

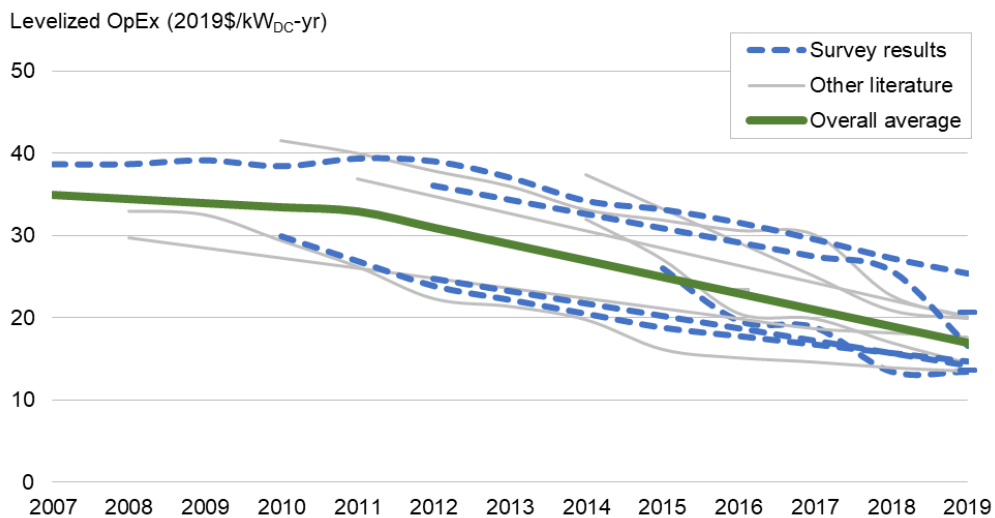


Figure 3. Lifetime OpEx Expectations for Utility-Scale PV, over Time

Variations in estimated lifetime OpEx for the most recent projects are depicted in Figure 4, and span a range of \$13 to \$25/kW_{DC}-yr. Survey-based responses are again broadly comparable to other literature-based estimates. Note that because respondents provided data on average costs, often for large project

⁴ OpEx costs for tracking PV projects are slightly higher than for fixed tilt, by ~\$1/kW_{DC}-yr. The costs reported in this section are for average projects that reflect a mix of tracking and fixed tilt.

⁵ See data summarized in Bolinger, M., J. Seel and D. Robson. 2019. *Utility-Scale Solar: Empirical Trends in Project Technology, Cost, Performance, and PPA Pricing in the United States*. Lawrence Berkeley National Laboratory. The underlying FERC Form 1 OpEx data includes operational costs of supervision and engineering, maintenance, rents, and training (and therefore excludes payments for property taxes, insurance, land royalties, performance bonds, various administrative and other fees, and overhead). Focusing only on 2018 operating expenses, utilities report a range from \$6/kW_{DC}-yr to \$32/kW_{DC}-yr.



fleets, the costs reported here are a range across fleets; the range across individual projects is larger still, with one respondent noting that costs as high or higher than \$30/kW_{DC}-yr are possible in some regions.

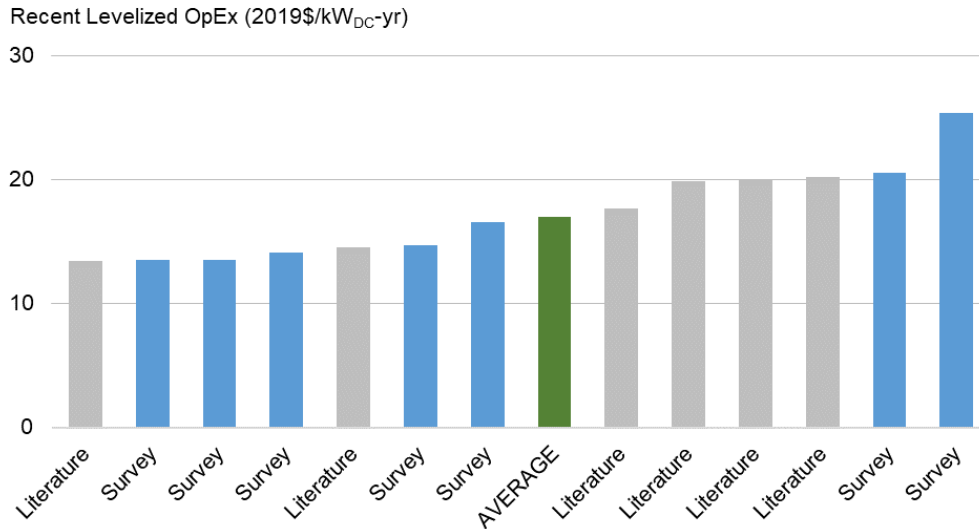


Figure 4. Recent Lifetime OpEx Expectations for Utility-Scale PV

While we primarily focused on all-in OpEx, some respondents broke out OpEx into its constituent parts, albeit using different categories of costs (Figure 5).

Operations and maintenance (O&M) costs—inclusive of scheduled and unscheduled maintenance—represent the single largest component of overall PV plant OpEx, as well as a primary source of OpEx reductions over the last decade. Current levelized O&M cost expectations range from \$5-8/kW_{DC}-yr in many cases. One respondent focused on trends in the cost of initial 5-year O&M contracts (excluding module cleaning and vegetation management, which might add ~\$1/kW_{DC}-yr), citing a decline in cost from ~\$15/kW_{DC}-yr in 2010 to \$4.5/kW_{DC}-yr in 2019. This same respondent indicated that actual OpEx costs for older PV projects may be lower than expectations that existed at the time of initial commercial operation, as these older projects have been able to avail themselves of lower-priced O&M contracts as their original contracts have expired and been renewed.

Property taxes and land lease costs are highly variable across sites. One respondent cited a range in property taxes of \$2 to \$4/kW_{DC}-yr depending on location. That same respondent cited lease costs of \$1 to \$8/kW_{DC}-yr, impacted by the cost of land in a region and site layout—sites in complex terrain often result in more land needing to be leased for a project of a fixed size.⁶ Module cleaning and vegetation management were also cited as being variable depending on site needs. Other notable OpEx line-items include security, insurance, and asset management. Fleet size was mentioned as impacting OpEx, with owners benefitting when able to share fixed costs across nearby projects.

⁶ Utility-scale PV projects do not generally own the land on which they are placed. Instead, the project owner leases the land from the original landowner or a third party that purchases the land. In the latter case, a third party purchases the land from the original owner, and then leases the land to the project owner. Which lease arrangement is used (from landowner or an intermediary) depends on site and region. Either way, the project owner incurs land costs in the form of an annual lease. For analysts, it is important to take care not to double count costs by including them both as up-front (presuming ownership) and ongoing (presuming ongoing lease) expenditures.

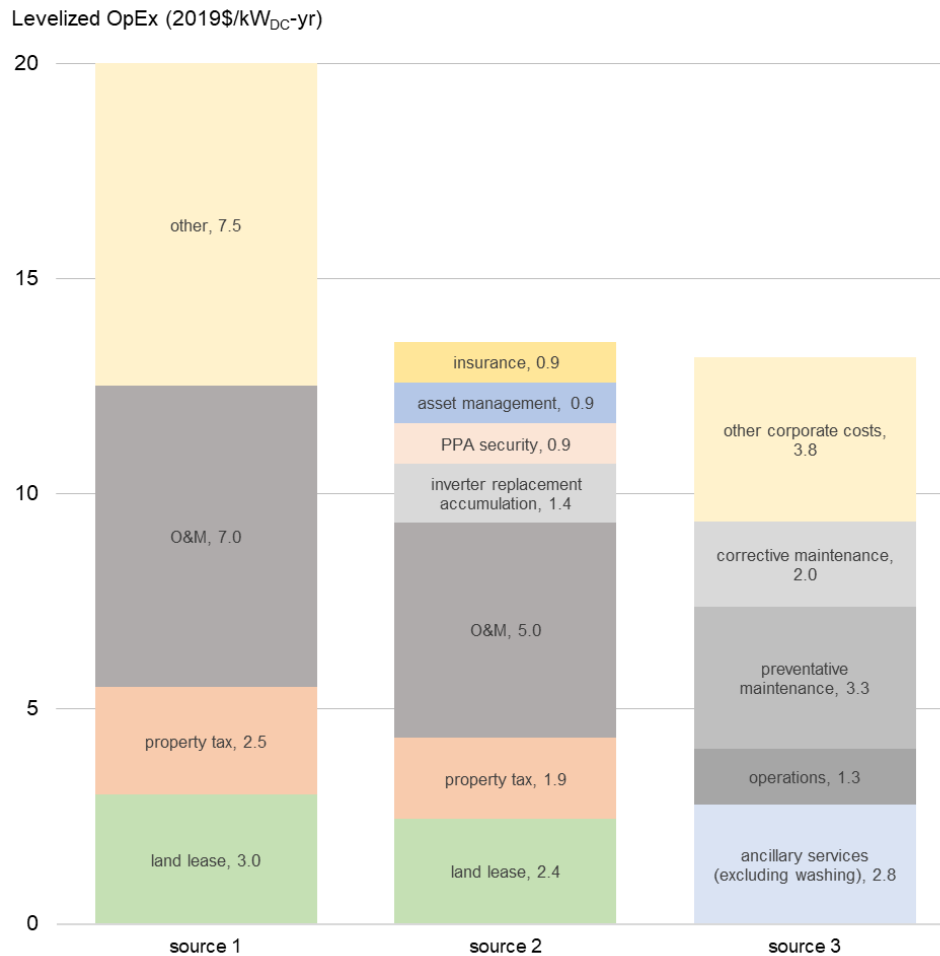


Figure 5. Recent Lifetime OpEx Expectations by Component

Reductions in OpEx over time have, in part, been motivated by the low power sales prices now common in the sector, requiring focused attention on lowering OpEx. Related, owners are asking for fewer services than in the past. As a result, overall costs are declining partly due to per-service cost reductions (as one example, via automated panel washing) and partly due to a smaller number of services being procured (as one example, owners realizing that field-level inspections of electrical wiring and equipment are not required every year).

However, one respondent noted that they anticipated that all-in OpEx could rise in the future, as developers may be underestimating certain costs in new markets. O&M is now offered at rock-bottom prices, with relatively few opportunities for further reductions. Land costs, meanwhile, may increase as landowners become increasingly savvy and competition for sites intensifies. Counties may offer fewer property tax abatements as the industry matures. Finally, as projects move closer to population centers, full-time onsite security staff may be required—something not needed for remotely located projects. A consultant echoed some of these themes, postulating that some developers and owners may be underestimating long-term costs.



Impacts on Levelized Cost of Energy⁷

The levelized cost of energy (LCOE) of solar plants is driven by five primary parameters: upfront capital expenditures, project performance, financing and tax assumptions, OpEx, and project life. Project life extensions and OpEx reductions therefore represent two potential levers for LCOE improvement.

Applying 2007-2009 values for not only project life and OpEx but also other drivers of LCOE, the LCOE for utility-scale PV projects built from 2007 through 2009 averaged \$305/MWh, excluding the federal investment tax credit (ITC). Using 2019 values for all parameters yields an average LCOE of \$51/MWh in 2019, again excluding the ITC (Figure 6). The decline in LCOE from \$305/MWh to \$51/MWh was predominantly caused by reductions in up-front capital expenditures (and, to a much lesser extent, by changes in capacity factors, financing costs, and tax rates), but 9% (\$22/MWh) of the overall decline is due to improvements in project life and OpEx. Project life extensions and OpEx reductions had similarly sized impacts on LCOE over this period, at \$11/MWh each. Had project life and OpEx not improved over the last decade, LCOE in 2019 would have instead been \$73/MWh—43% higher.

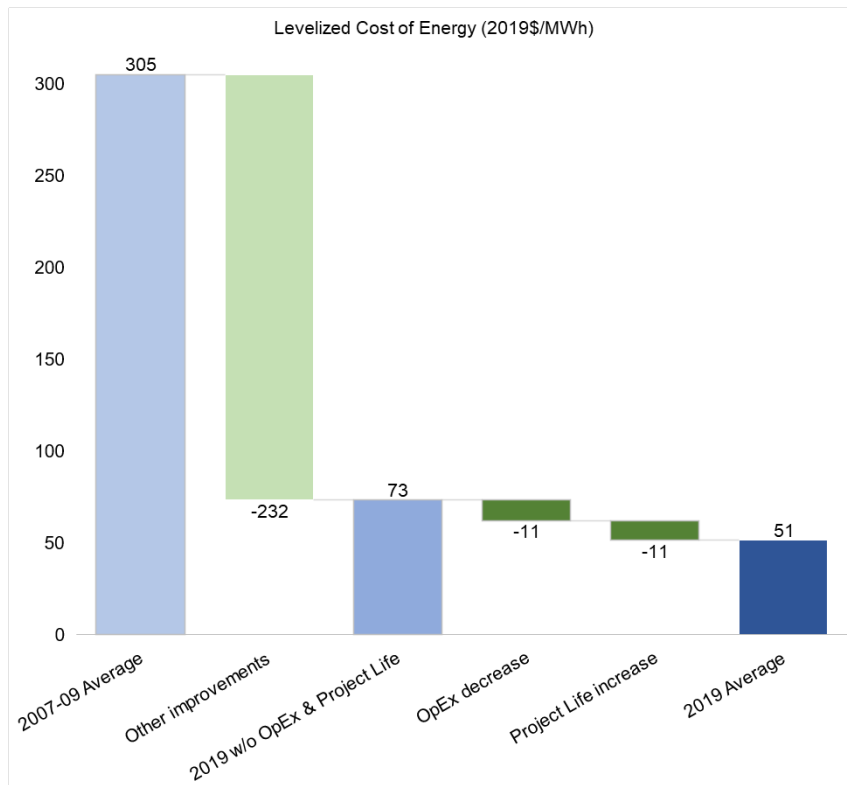


Figure 6. Impact of Project Life and OpEx Improvements on LCOE

Clearly, OpEx and project life can be important drivers for LCOE trends over time.

⁷ Assumptions derive in part from Bolinger, M., J. Seel and D. Robson. 2019. *Utility-Scale Solar: Empirical Trends in Project Technology, Cost, Performance, and PPA Pricing in the United States*. Lawrence Berkeley National Laboratory. For projects built from 2007-2009, assumptions include: \$5.5/W_{DC} installed cost, 17.6% DC capacity factor, 6.36% weighted average cost of capital, 40% combined tax rate, \$34.5/kW_{DC}-yr OpEx, and 21.6 year project life. For projects built in 2019, assumptions include: \$1.1/W_{DC} installed cost, 17.9% DC capacity factor, 5.94% weighted average cost of capital, 27% combined tax rate, \$17/kW_{DC}-yr OpEx, and 32.4-year project life.



Acknowledgements

We especially thank each of the solar industry professionals who thoughtfully responded to our questions. For additional data, we thank David Feldman with the National Renewable Energy Laboratory. For their support of this work, we thank the entire DOE Solar Energy Technologies Office team. This material is based upon work funded by the U.S. Department of Energy's Office of Energy Efficiency and Renewable Energy (EERE) under Solar Energy Technologies Office (SETO) Agreement Number 34158 and Contract No. DE-AC02-05CH11231. The authors are solely responsible for any omissions or errors contained herein.

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P06169.020 Funding Project
106966 Work Order #
8/31/2023 Estimated Inservice Date
\$61,800,000 Estimated Inservice Cost
35.0 Average Service Life (Mid-year convention assumption)
\$ (1,806,800) Net Decommissioning Estimate (2021)
2.80% Estimated Inflation Factor
\$ (5,015,717) Estimated Decommissioning at 35 years
8.1% Salvage %

Yr.	RL	Decom Est	Investment	Salvage	Total Depr	Accum Invest	Accum Salv	Accum / Depr	RR
2023	35.5	\$ (1,907,981)	\$ 882,857	\$ (71,653)	\$ 811,204	\$ 882,857	\$ (71,653)	\$ 811,204	1.3%
2024	34.5	\$ (1,961,404)	\$ 1,765,714	\$ (143,306)	\$ 1,622,408	\$ 2,648,571	\$ (214,959)	\$ 2,433,612	3.9%
2025	33.5	\$ (2,016,324)	\$ 1,765,714	\$ (143,306)	\$ 1,622,408	\$ 4,414,286	\$ (358,265)	\$ 4,056,020	6.6%
2026	32.5	\$ (2,072,781)	\$ 1,765,714	\$ (143,306)	\$ 1,622,408	\$ 6,180,000	\$ (501,572)	\$ 5,678,428	9.2%
2027	31.5	\$ (2,130,819)	\$ 1,765,714	\$ (143,306)	\$ 1,622,408	\$ 7,945,714	\$ (644,878)	\$ 7,300,836	11.8%
2028	30.5	\$ (2,190,481)	\$ 1,765,714	\$ (143,306)	\$ 1,622,408	\$ 9,711,429	\$ (788,184)	\$ 8,923,244	14.4%
2029	29.5	\$ (2,251,815)	\$ 1,765,714	\$ (143,306)	\$ 1,622,408	\$ 11,477,143	\$ (931,490)	\$ 10,545,653	17.1%
2030	28.5	\$ (2,314,866)	\$ 1,765,714	\$ (143,306)	\$ 1,622,408	\$ 13,242,857	\$ (1,074,796)	\$ 12,168,061	19.7%
2031	27.5	\$ (2,379,682)	\$ 1,765,714	\$ (143,306)	\$ 1,622,408	\$ 15,008,571	\$ (1,218,103)	\$ 13,790,469	22.3%
2032	26.5	\$ (2,446,313)	\$ 1,765,714	\$ (143,306)	\$ 1,622,408	\$ 16,774,286	\$ (1,361,409)	\$ 15,412,877	24.9%
2033	25.5	\$ (2,514,810)	\$ 1,765,714	\$ (143,306)	\$ 1,622,408	\$ 18,540,000	\$ (1,504,715)	\$ 17,035,285	27.6%
2034	24.5	\$ (2,585,224)	\$ 1,765,714	\$ (143,306)	\$ 1,622,408	\$ 20,305,714	\$ (1,648,021)	\$ 18,657,693	30.2%
2035	23.5	\$ (2,657,611)	\$ 1,765,714	\$ (143,306)	\$ 1,622,408	\$ 22,071,429	\$ (1,791,327)	\$ 20,280,101	32.8%
2036	22.5	\$ (2,732,024)	\$ 1,765,714	\$ (143,306)	\$ 1,622,408	\$ 23,837,143	\$ (1,934,634)	\$ 21,902,509	35.4%
2037	21.5	\$ (2,808,521)	\$ 1,765,714	\$ (143,306)	\$ 1,622,408	\$ 25,602,857	\$ (2,077,940)	\$ 23,524,917	38.1%
2038	20.5	\$ (2,887,159)	\$ 1,765,714	\$ (143,306)	\$ 1,622,408	\$ 27,368,571	\$ (2,221,246)	\$ 25,147,325	40.7%
2039	19.5	\$ (2,968,000)	\$ 1,765,714	\$ (143,306)	\$ 1,622,408	\$ 29,134,286	\$ (2,364,552)	\$ 26,769,733	43.3%
2040	18.5	\$ (3,051,104)	\$ 1,765,714	\$ (143,306)	\$ 1,622,408	\$ 30,900,000	\$ (2,507,858)	\$ 28,392,142	45.9%
2041	17.5	\$ (3,136,534)	\$ 1,765,714	\$ (143,306)	\$ 1,622,408	\$ 32,665,714	\$ (2,651,165)	\$ 30,014,550	48.6%
2042	16.5	\$ (3,224,357)	\$ 1,765,714	\$ (143,306)	\$ 1,622,408	\$ 34,431,429	\$ (2,794,471)	\$ 31,636,958	51.2%
2043	15.5	\$ (3,314,639)	\$ 1,765,714	\$ (143,306)	\$ 1,622,408	\$ 36,197,143	\$ (2,937,777)	\$ 33,259,366	53.8%
2044	14.5	\$ (3,407,449)	\$ 1,765,714	\$ (143,306)	\$ 1,622,408	\$ 37,962,857	\$ (3,081,083)	\$ 34,881,774	56.4%
2045	13.5	\$ (3,502,858)	\$ 1,765,714	\$ (143,306)	\$ 1,622,408	\$ 39,728,571	\$ (3,224,389)	\$ 36,504,182	59.1%
2046	12.5	\$ (3,600,938)	\$ 1,765,714	\$ (143,306)	\$ 1,622,408	\$ 41,494,286	\$ (3,367,696)	\$ 38,126,590	61.7%
2047	11.5	\$ (3,701,764)	\$ 1,765,714	\$ (143,306)	\$ 1,622,408	\$ 43,260,000	\$ (3,511,002)	\$ 39,748,998	64.3%
2048	10.5	\$ (3,805,414)	\$ 1,765,714	\$ (143,306)	\$ 1,622,408	\$ 45,025,714	\$ (3,654,308)	\$ 41,371,406	66.9%
2049	9.5	\$ (3,911,965)	\$ 1,765,714	\$ (143,306)	\$ 1,622,408	\$ 46,791,429	\$ (3,797,614)	\$ 42,993,814	69.6%
2050	8.5	\$ (4,021,500)	\$ 1,765,714	\$ (143,306)	\$ 1,622,408	\$ 48,557,143	\$ (3,940,920)	\$ 44,616,222	72.2%
2051	7.5	\$ (4,134,102)	\$ 1,765,714	\$ (143,306)	\$ 1,622,408	\$ 50,322,857	\$ (4,084,227)	\$ 46,238,631	74.8%
2052	6.5	\$ (4,249,857)	\$ 1,765,714	\$ (143,306)	\$ 1,622,408	\$ 52,088,571	\$ (4,227,533)	\$ 47,861,039	77.4%
2053	5.5	\$ (4,368,853)	\$ 1,765,714	\$ (143,306)	\$ 1,622,408	\$ 53,854,286	\$ (4,370,839)	\$ 49,483,447	80.1%
2054	4.5	\$ (4,491,181)	\$ 1,765,714	\$ (143,306)	\$ 1,622,408	\$ 55,620,000	\$ (4,514,145)	\$ 51,105,855	82.7%
2055	3.5	\$ (4,616,934)	\$ 1,765,714	\$ (143,306)	\$ 1,622,408	\$ 57,385,714	\$ (4,657,451)	\$ 52,728,263	85.3%
2056	2.5	\$ (4,746,208)	\$ 1,765,714	\$ (143,306)	\$ 1,622,408	\$ 59,151,429	\$ (4,800,758)	\$ 54,350,671	87.9%
2057	1.5	\$ (4,879,102)	\$ 1,765,714	\$ (143,306)	\$ 1,622,408	\$ 60,917,143	\$ (4,944,064)	\$ 55,973,079	90.6%
2058	0.5	\$ (5,015,717)	\$ 882,857	\$ (71,653)	\$ 811,204	\$ 61,800,000	\$ (5,015,717)	\$ 56,784,283	91.9%
			\$ 61,800,000	\$ (5,015,717)	\$ 56,784,283				

CERTIFICATE OF SERVICE

I, Robin Benson, 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

Docket Number: **E-017/D-22-483**

Dated this **7th** day of **December, 2022**

/s/ Robin Benson

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Ray	Choquette	rchoquette@agp.com	Ag Processing Inc.	12700 West Dodge Road PO Box 2047 Omaha, NE 68103-2047	Electronic Service	No	OFF_SL_22-483_D-22-483
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_22-483_D-22-483
Brooke	Cooper	bcooper@allete.com	Minnesota Power	30 W Superior St Duluth, MN 558022191	Electronic Service	No	OFF_SL_22-483_D-22-483
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_22-483_D-22-483
James C.	Erickson	jericksonkbc@gmail.com	Kelly Bay Consulting	17 Quechee St Superior, WI 54880-4421	Electronic Service	No	OFF_SL_22-483_D-22-483
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_22-483_D-22-483
Jessica	Fyhrie	jfyhrie@otpc.com	Otter Tail Power Company	PO Box 496 Fergus Falls, MN 56538-0496	Electronic Service	No	OFF_SL_22-483_D-22-483
Adam	Heinen	aheinen@dakotaelectric.com	Dakota Electric Association	4300 220th St W Farmington, MN 55024	Electronic Service	No	OFF_SL_22-483_D-22-483
Nick	Kaneski	nick.kaneski@enbridge.com	Enbridge Energy Company, Inc.	11 East Superior St Ste 125 Duluth, MN 55802	Electronic Service	No	OFF_SL_22-483_D-22-483
James D.	Larson	james.larson@avantenergy.com	Avant Energy Services	220 S 6th St Ste 1300 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_22-483_D-22-483

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Kavita	Maini	kmaini@wi.rr.com	KM Energy Consulting, LLC	961 N Lost Woods Rd Oconomowoc, WI 53066	Electronic Service	No	OFF_SL_22-483_D-22-483
Andrew	Moratzka	andrew.moratzka@stoel.com	Stoel Rives LLP	33 South Sixth St Ste 4200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_22-483_D-22-483
Matthew	Olsen	molsen@otpc.com	Otter Tail Power Company	215 South Cascade Street Fergus Falls, MN 56537	Electronic Service	No	OFF_SL_22-483_D-22-483
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_22-483_D-22-483
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_22-483_D-22-483
Cary	Stephenson	cStephenson@otpc.com	Otter Tail Power Company	215 South Cascade Street Fergus Falls, MN 56537	Electronic Service	No	OFF_SL_22-483_D-22-483
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_22-483_D-22-483

Otter Tail Power Company's
2022 Minnesota Annual Review of
Depreciation Certification Filing

Minnesota Docket No. E017/D-22-483

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



September 1, 2022

Will Seuffert
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
2022 Annual Review of Depreciation Certification
Docket No. E017/D-22-
Initial Filing**

Dear Mr. Seuffert:

Otter Tail Power Company (Otter Tail) hereby submits its 2022 Annual Review of Depreciation Certification.

Otter Tail electronically filed this document with the Commission which, in compliance with Minn. Rule 7829.1300, subp. 2, also constitutes service on the Department of Commerce, Division of Energy Resources, and the Office of Attorney General-Residential Utilities Division. 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

kaw
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 2022 Annual Review of
Depreciation Certification**

Docket No. E017/D-22-

SUMMARY OF FILING

Please take notice that on September 1, 2022, Otter Tail Power Company filed its 2022 Annual Review of Depreciation Certification with the Minnesota Public Utilities Commission. The study is being filed pursuant to 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
2022 Annual Review of Depreciation
Certification**

**Docket No. E017/D-22-
PETITION**

I. INTRODUCTION

Pursuant to Minn. R. 7825.0700, Otter Tail Power Company (Otter Tail or the Company) hereby files its 2022 Annual Petition for Depreciation Certification. Otter Tail requests that the study be certified effective January 1, 2023.

II. SUMMARY OF FILING

Pursuant to Minn. Rules 7829.1300, Subp. 1, a one-paragraph summary of the filing accompanies this Petition.

III. GENERAL FILING INFORMATION

Pursuant to Minn. R. 7829.1300, subp.3, Otter Tail provides the following general information.

A. Name, Address, and Telephone Number of Utility

(Minn. Rules 7829.1300, Subp. 3(A))

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

(Minn. Rules 7829.1300, Subp. 3(B))

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 September 1, 2022 and is based on plant-in-service and accumulated reserve balances as of December 31st, 2021. Otter Tail requests that the proposed remaining lives and salvage percentages be approved effective January 1, 2023, for 2023 depreciation expense and accumulated depreciation reserve 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

(Minn. Rules 7829.1300, Subp. 3(E))

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

F. Service List

(Minn. Rules 7829.0700)

Otter Tail requests that the following persons be placed on the Commission’s official service list for this matter and that any trade secret comments, requests, or information be provided to the following on behalf of Otter Tail:

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

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

G. Service on Other Parties

(Minn. Rules 7829.1300, Subp. 2; Minn. Rules 7829.0600)

Pursuant to Minn. Rule 7829.1300, Subp. 2, Otter Tail served a copy of this Petition on the Division of Energy Resources of the Department of Commerce and the Residential Utilities Division of the Office of the Attorney General. A summary of the filing prepared in accordance with Minn. Rule 7829.1300, Subp. 1 was served on all parties on Otter Tail's general service list.

IV. DESCRIPTION OF FILING

This filing constitutes Otter Tail's 2022 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. 2022 Depreciation Rate Study prepared by Foster Associates Consultants, LLC, Attachment No. 1
2. Proposed Remaining Lives and Salvage Percentages for Use in 2023, 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 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 and accumulated depreciation reserve balances as of December 31, 2021. Other statements in Attachment No. 1 provide the rest of the schedules required in an annual review of depreciation certification.

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 2023 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.

V. 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 (2009 IRP Order), 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 with plant in service balances as of December 31st, 2021, is the first to include new peaking generation in service since that 2009 order. Otter Tail placed into service its new Astoria Station peaking generator for commercial operation in Q1 2021; therefore, in this filing, Otter Tail will apply those 2021 plant-in-service peaking costs to its recent short term peaking capacity costs from its rate proceeding in Docket No. E017/GR-15-1033 as ordered in order point 4 in last year’s depreciation certification filing (Docket No. E-017/D-21-669) to comply with that 2009 IRP Order requirement for peaking plants.

In its rate proceeding in Docket No. E017/GR-15-1033, Otter Tail identified that at 2016 Handy Whitman cost Replacement Value, the cost of its Internal Combustion (Peaking) Capacity was \$106,799,998 with a Net Dependable Capacity (NDC) of 108,600 kilo Watts (kW), yielding a capacity cost of \$983 / kW of peaking capacity (see Workpapers C-1, pages 1-3, Volume 4A). This Handy Whitman cost escalated value compared with the 2016 Test Year actual costs of \$40,937,759 or \$382 / kW of NDC on an actual basis for the actual peaking plant capacity costs.

Comparing the Handy Whitman capacity costs from the rate case of \$997 or nearly \$1,000 per kW of legacy peaking capacity generation with the Astoria Station’s peaking capacity cost of \$555 per kW of NDC results in a positive cost variance of \$442 / kW of NDC or a 44.3 percent benefit. These savings result primarily from the efficiencies of scale associated with the large 250 MW Astoria Station plant over legacy peaking facilities which all together totaled only 108.9 MW’s of NDC. The addition of the large-scale Astoria Station resulted in a prudent cost-benefit ratio over the legacy peaking facilities.

Otter Tail Power Company
Analysis of Cost per kW of Net Dependable Capacity (NDC)
Astoria Station vs. Rate Case E-017/GR-15-1033 level
2022 OTP Annual Depreciation Certification Filing

	<u>2016 Test Year Original Cost</u>	<u>2016 Replacement Cost</u>	<u>12/31/2021 Original Cost</u>
Jamestown Peaking Unit 1	\$3,767,513	\$16,078,052	\$3,962,069
NDC (kW)	21,400	21,400	20,600
\$/NDC (kW)	\$176	\$751	\$192
Jamestown Peaking Unit 2	\$3,922,627	\$18,133,653	\$4,058,804
NDC (kW)	21,100	21,100	20,400
\$/NDC (kW)	\$186	\$859	\$199
Jamestown Peaking Unit 1 & 2	\$7,690,140	\$34,211,705	\$8,020,873
NDC (kW)	42,500	42,500	41,000
\$/NDC (kW)	\$181	\$805	\$196
Lake Preston Peaking Plant	\$4,133,831	\$18,661,933	\$4,191,736
NDC (kW)	19,600	19,600	19,400
\$/NDC (kW)	\$211	\$952	\$216
Solway Peaking Plant	\$28,522,150	\$52,556,950	\$28,293,075
NDC (kW)	43,000	43,000	42,400
\$/NDC (kW)	\$663	\$1,222	\$667
Fergus Falls Control Center Diesel	\$591,638	\$1,369,409	\$591,638
NDC (kW)	2,000	2,000	2,000
\$/NDC (kW)	\$296	\$685	\$296
Astoria Station	\$ N/A \$	\$ N/A \$	\$138,599,877
NDC (kW)			249,700
\$/NDC (kW)			\$555
Total Peaker's	\$40,937,759	\$106,799,996	\$179,697,199
NDC (kW)	107,100	107,100	354,500
\$/NDC (kW)	\$382	\$997	\$507

NDC: Net Dependable Capacity
(kW)

B. Remaining Lives and Salvage Percentages

Otter Tail derives its Remaining Lives and Salvage Percentages based on 5-year Depreciation Studies and subsequently updates them annually in Technical Updates in 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). These are then analyzed through the depreciation certification process and are proposed for use in the year following that year's depreciation certification filing to be used for calculating depreciation expense and accumulated reserve 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. In this filing, Otter Tail continues to reduce its depreciation study calculated Remaining Life for all average year of final retirement (AYFR) property by one year to account for the passage of time from the depreciation study date to the effective date when the depreciation parameters will be applied for depreciation expense and reserve calculation purposes.

1. Hydro Relicensing

Otter Tail's previous Federal Energy Regulatory Commission (FERC) hydro license expired on November 30, 2021, while Otter Tail was in the process of license renewal (a multi-year endeavor). Otter Tail had completed all the necessary hydro licensing filing obligations, and the hydro license expiration date came about while relicensing was under review at the FERC. FERC therefore issued an annual (temporary) hydro license so Otter Tail could continue to operate the facilities until their relicensing review was completed. FERC issued Otter Tail a new 40-year hydro license in February of 2021 (Project No. 10853-022). The forty-year term now provides an AYFR for the hydro facilities of 2062 which is one year longer than originally expected due to the issuance of the temporary annual license and delayed approval of the final license.

2. Hoot Lake Solar Project

Otter Tail is in the active construction phase of the Hoot Lake Solar project with a current estimated in-service in Q3, 2023. Because of our prospective depreciation filing arrangement status, Otter Tail utilizing an Average Year of Final Retirement (AYFR) of 2058 is requesting for use in 2023 a remaining life of 35.5 years based on an expected average service life for the facility of 35 years and reflecting the mid-year depreciation convention. Also, for 2023, Otter Tail requests an initial salvage percentage for the facility of 8.1 percent based on a pre-construction conditional use permit decommissioning estimate.

3. Coyote Station

In this Petition, Otter Tail is not proposing any change to the depreciable life of Coyote station. In its pending integrated resource plan for 2022-2036 (“IRP”; Docket No: E017-RP-21-339), Otter Tail has requested authority to commence the process of withdrawing from its ownership interest in Coyote Station. This section of this Petition addresses how Otter Tail’s request in the IRP relates to the requests made in this Petition.

Coyote Station is a 428 MW, lignite fueled, mine-mouth generating facility located near Beulah, North Dakota, in which Otter Tail has a partial interest.¹ Coyote Station entered service in 1981 and had a depreciable life at that time that assumed retirement in 2016. The depreciable life was extended at various times, the last being in 2013, when the depreciable life was extended by nine years, from 2032 to 2041.² In this Petition, Otter Tail has utilized an Average Year of Final Retirement (AYFR) of 2041 for Coyote Station, consistent with approvals going back to 2013.

On September 1, 2021, Otter Tail filed its IRP, (Application for Resource Plan Approval for 2022-2036, Docket No: E017-RP-21-339) in which Otter Tail requested authority to commence the process of withdrawing from its ownership interest in Coyote Station, anticipating that withdrawal could be completed by 2028. To address the early departure from Coyote Station, Otter Tail proposed that Coyote Station’s undepreciated plant balance be placed within a regulatory asset account with an amortization schedule that aligns with Coyote Station’s remaining depreciable life.³ This approach would have less impact on customers than accelerating recovery of the regulatory asset account balance to match an assumed early Coyote Station exit date. Otter Tail also noted that reducing the plant’s remaining life may prove unnecessary in the event of a sale of Otter Tail’s interests to a new owner.

Otter Tail’s Resource Plan is pending before the Commission, with Comments due in October 2022. While it is premature to seek changes to Coyote Station depreciation at this time, Otter Tail anticipates addressing Coyote Station in the IRP proceeding and in future depreciation dockets to the extent necessary and appropriate.

¹ Coyote Station is co-owned by Otter Tail (35 percent), Northern Minnesota Municipal Power Agency (represented by Minnkota Power Cooperative) (30 percent), Montana-Dakota Utilities Co. (MDU) (25 percent), and Northwestern Energy (10 percent).

² *In the Matter of Otter Tail Power Company’s Request for Approval of its Five-Year Depreciation Study*, MPUC Docket No. E017/D-13-795, Order (Apr. 7, 2014).

³ Otter Tail Resource Plan Application, Docket No: E017-RP-21-339, Initial Filing at 46-48. A similar approach was used by the Commission for the abandonment of Xcel Energy’s Prairie Island nuclear facility EPU project.

VI. CONCLUSION

Otter Tail respectfully requests that the Commission approve this annual petition for depreciation certification, to be effective January 1, 2023.

Dated: September 1, 2022

Respectfully submitted,

OTTER TAIL POWER COMPANY

/s/ LOYAL K. DEMMER

Loyal K. Demmer, CMA
Senior Depreciation Accountant
Otter Tail Power Company
215 South Cascade Street
Post Office Box 496
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2022 Technical Update



CONTENTS

EXECUTIVE SUMMARY

INTRODUCTION	1
SCOPE OF UPDATE	1
UPDATED DEPRECIATION RATES	2

STATEMENTS

INTRODUCTION	3
STATEMENT A – REMAINING-LIFE ACCRUAL RATES	5
STATEMENT B – REMAINING-LIFE ACCRUALS	10
STATEMENT C – DEPRECIATION RESERVE SUMMARY	17
STATEMENT D – AVERAGE NET SALVAGE	24
STATEMENT E – FUTURE NET SALVAGE.....	30
STATEMENT F – CURRENT AND UPDATED PARAMETERS AND STATISTICS	33
STATEMENT G – PLANT ACTIVITY	41
STATEMENT H – ANALYSIS OF DEPRECIATION RESERVE.....	43
STATEMENT I – SUMMARY OF DEPRECIATION ACCRUALS	45

August 2022

EXECUTIVE SUMMARY

INTRODUCTION

This report presents the findings and recommendations developed in a 2022 technical update of depreciation rates for Otter Tail Power Company (Otter Tail or 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, 2021 were used in the 2022 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 2022 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 Otter Tail were developed from composite service life statistics approved in Docket No. E-017/D-21-669. Depreciation accruals and reserve activity recorded in 2021 were posted to December 31, 2020 reserves to obtain appropriate reserve ratios for the 2022 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 objected in Docket No. E-017/D-11-886 claiming 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 concurred with the Department 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 was thus abolished by Commission order and removed from subsequent studies and technical updates including this one.

UPDATED DEPRECIATION RATES

Table 1 below provides a summary of the changes in annual rates and accruals resulting from the 2022 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 Rates			2022 Annualized Accrual		
	Current	Updated	Difference	Current	Updated	Difference
A	B	C	D=C-B	E	F	G=F-E
<i>Intangible Plant</i>	11.54%	11.54%	0.00%	\$ 3,496,865	\$ 3,496,865	\$ -
<i>Steam Production</i>	2.75%	2.78%	0.03%	14,494,906	14,599,426	104,520
<i>Hydraulic Production</i>	0.98%	1.11%	0.13%	93,920	106,731	12,811
<i>Other Production</i>	2.97%	3.04%	0.07%	5,337,837	5,462,915	125,078
<i>Wind Production</i>	2.93%	2.94%	0.01%	15,634,468	15,659,427	24,959
<i>Solar Production</i>	4.24%	4.28%	0.04%	13,472	13,584	112
<i>Transmission</i>	1.61%	1.62%	0.01%	11,318,786	11,389,174	70,388
<i>Distribution</i>	2.36%	2.36%	0.00%	13,516,869	13,521,055	4,186
<i>General Plant</i>	5.16%	5.15%	-0.01%	3,182,624	3,180,702	(1,922)
Total Utility	2.56%	2.58%	0.01%	\$ 67,089,747	\$ 67,429,879	\$ 340,132

Table 1. Current and Updated Rates and Accruals

Adjustments developed in the technical update produce a composite depreciation rate of 2.58 percent. Depreciation expense is currently accrued at an equivalent rate of 2.56 percent. The updated change in the composite depreciation rate produces an increase of 0.01 percentage points.

A continued application of rates derived from currently approved parameters would produce annual depreciation expense of \$67,089,747 compared with an annual expense of \$67,429,879 using rates developed in the update. The increase in total utility expense is \$340,132.

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 2022 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 2022 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 contain the above information for calendar year 2021:

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

Statement A

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	← 10 Year Amortization →			← 10 Year Amortization →			
Total Intangible Plant			11.54%	6.21		30.12%	11.54%
STEAM PRODUCTION							
311.00 Structures and Improvements	22.38	-7.3%	2.45%	22.62	-6.6%	51.09%	2.44%
312.00 Boiler Plant Equipment	18.02	-8.2%	3.06%	22.29	-6.7%	37.48%	3.09%
312.10 Boiler Plant Equipment - Landfill	29.32		2.24%	28.39		36.53%	2.24%
314.00 Turbogenerator Units	16.70	-9.2%	2.06%	21.53	-7.0%	62.58%	2.10%
315.00 Accessory Electric Equipment	20.70	-7.8%	2.25%	22.24	-6.8%	56.47%	2.25%
316.00 Miscellaneous Power Plant Equipment	14.67	-9.1%	2.82%	21.56	-6.9%	43.55%	2.95%
Total Steam Production Plant			2.75%	22.40	-6.6%	44.32%	2.77%
HYDRAULIC PRODUCTION							
331.00 Structures and Improvements	38.30		0.04%	38.12		98.43%	0.04%
332.00 Reservoirs, Dams and Waterways	38.40		1.33%	38.40		48.23%	1.35%
333.00 Water Wheels, Turbines & Generators	38.36		0.10%	38.36		96.45%	0.09%
334.00 Accessory Electric Equipment	38.34		0.08%	38.39		54.31%	1.19%
335.00 Miscellaneous Power Plant Equipment	38.39		0.21%	38.38		92.32%	0.20%
Total Hydraulic Production Plant			0.98%	38.39		57.01%	1.12%
OTHER PRODUCTION							
341.00 Structures and Improvements	16.68	-2.1%	2.95%	29.67	-1.8%	11.74%	3.03%
342.00 Fuel Holders and Accessories	15.08	-3.6%	2.91%	28.20	-2.1%	16.71%	3.00%
343.00 Prime Movers	15.70	-3.2%	2.98%	28.64	-2.0%	14.86%	3.05%
344.00 Generators							
345.00 Accessory Electric Equipment	15.76	-3.2%	2.90%	29.13	-2.0%	15.18%	2.97%
346.00 Miscellaneous Power Plant Equipment	15.72	-2.8%	3.03%	28.15	-1.9%	14.16%	3.09%
Total Other Production Plant			2.97%	28.81	-2.0%	14.44%	3.04%
WIND PRODUCTION							
341.00 Structures and Improvements	27.24	-5.1%	2.88%	26.44	-5.1%	27.55%	2.87%
344.00 Generators	27.16	-5.1%	2.93%	26.32	-5.1%	26.37%	2.94%
345.00 Accessory Electric Equipment	27.15	-5.1%	2.89%	26.35	-5.1%	27.49%	2.88%
346.00 Miscellaneous Power Plant Equipment	21.86	-5.5%	4.82%	20.94	-5.5%	4.75%	4.81%
Total Wind Production Plant			2.93%	26.32	-5.1%	26.47%	2.93%
SOLAR PRODUCTION							
343.00 Prime Movers	23.27	-1.0%	4.25%	22.33	-1.0%	5.52%	4.28%
Total Solar Production Plant			4.25%	22.33	-1.0%	5.52%	4.28%
TRANSMISSION PLANT							
353.00 Station Equipment	56.36	-5.0%	1.55%	56.01	-5.0%	18.35%	1.55%
354.00 Towers and Fixtures	70.13	-10.0%	1.46%	69.13	-10.0%	8.59%	1.47%
355.00 Poles and Fixtures	60.09	-50.0%	1.85%	60.85	-50.0%	36.51%	1.87%
356.00 Overhead Conductors and Devices	62.95	-30.0%	1.62%	62.71	-30.0%	27.61%	1.63%
358.00 Underground Conductors and Devices	13.11	-5.0%	0.60%	20.67	-5.0%	76.09%	1.40%
Total Transmission Plant			1.61%	62.18	-23.2%	22.28%	1.62%

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
DISTRIBUTION PLANT							
362.00 Station Equipment	34.48	5.0%	1.93%	34.46	5.0%	28.23%	1.94%
364.00 Poles, Towers and Fixtures	48.18	-100.0%	2.91%	48.12	-100.0%	60.36%	2.90%
365.00 Overhead Conductors and Devices	43.12	-75.0%	2.28%	43.06	-75.0%	76.27%	2.29%
367.00 Underground Conductors and Devices	29.08	-5.0%	2.07%	29.62	-5.0%	42.88%	2.10%
368.00 Line Transformers	30.45	30.0%	1.75%	30.53	30.0%	17.18%	1.73%
369.00 Overhead Services	29.40	-200.0%	5.89%	28.93	-200.0%	130.03%	5.88%
369.10 Underground Services	32.89	-20.0%	2.25%	32.56	-20.0%	46.56%	2.26%
370.00 Meters	19.37		3.37%	19.09		36.48%	3.33%
370.05 Smart Meters	17.57		5.16%	16.57		14.29%	5.17%
370.10 Load Management Switches	1.75		1.36%	1.42		98.72%	0.90%
371.10 Electric Vehicle Charging Stations	← 10 Year Amortization →			← 10 Year Amortization →			
371.20 Other Private Lighting	24.50		3.74%	24.52		3.89%	3.92%
373.00 Street Lighting and Signal Systems	18.12	-5.0%	4.51%	18.51	-5.0%	17.30%	4.74%
Total Distribution Plant			2.36%	30.92	-22.3%	42.88%	2.36%
GENERAL PLANT							
Depreciable							
390.00 Structures and Improvements	32.84	5.0%	1.88%	32.44	5.0%	35.00%	1.85%
390.10 General Office Buildings	19.00	45.0%	0.81%	18.05	43.1%	38.67%	1.01%
390.20 Fleet Service Center Building	23.74	67.9%	0.49%	22.76	55.6%	59.51%	-0.66%
390.25 Fleet Service Center - Jamestown	60.00	50.0%	0.84%	53.34	50.0%	3.34%	0.87%
390.30 Central Stores Building	23.68	75.8%	-0.53%	22.74	75.8%	36.32%	-0.53%
396.00 Power Operated Equipment	19.85	5.0%	4.00%	19.69	5.0%	17.33%	3.94%
397.40 Communication Towers	30.52	-5.0%	1.70%	29.74	-5.0%	54.88%	1.69%
Total Depreciable			1.42%	28.07	22.5%	34.75%	1.41%
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			11.35%	4.31		51.48%	11.35%
Total General Plant			5.16%	10.00	14.0%	41.06%	5.16%
TOTAL UTILITY			2.56%	29.94	-13.3%	32.21%	2.58%
STEAM PRODUCTION							
Big Stone							
311.00 Structures and Improvements	24.66	-5.8%	2.79%	23.73	-5.7%	39.82%	2.78%
312.00 Boiler Plant Equipment	24.67	-5.8%	3.42%	23.73	-5.7%	23.80%	3.45%
312.10 Boiler Plant Equipment - Landfill							
314.00 Turbogenerator Units	24.64	-5.8%	1.68%	23.71	-5.7%	64.55%	1.74%
315.00 Accessory Electric Equipment	24.66	-5.8%	2.51%	23.72	-5.7%	46.06%	2.51%
316.00 Miscellaneous Power Plant Equipment	24.65	-5.8%	2.54%	23.72	-5.7%	43.46%	2.62%
Total Big Stone			3.04%	23.73	-5.7%	32.98%	3.07%

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
Hoot Lake Units 2 and 3							
311.00 Structures and Improvements							
312.00 Boiler Plant Equipment							
312.10 Boiler Plant Equipment - Landfill	29.32		2.24%	28.39		36.53%	2.24%
314.00 Turbogenerator Units							
315.00 Accessory Electric Equipment							
316.00 Miscellaneous Power Plant Equipment							
Total Hoot Lake Units 2 and 3			2.24%	28.39		36.53%	2.24%
Coyote							
311.00 Structures and Improvements	19.93	-8.7%	1.66%	18.98	-8.7%	77.07%	1.67%
312.00 Boiler Plant Equipment	19.94	-8.7%	2.38%	18.99	-8.7%	63.21%	2.40%
312.10 Boiler Plant Equipment - Landfill							
314.00 Turbogenerator Units	19.95	-8.7%	2.56%	19.00	-8.7%	60.03%	2.56%
315.00 Accessory Electric Equipment	19.93	-8.7%	1.79%	18.99	-8.7%	74.53%	1.80%
316.00 Miscellaneous Power Plant Equipment	19.95	-8.7%	3.21%	19.01	-8.7%	43.68%	3.42%
Total Coyote			2.24%	18.99	-8.7%	65.97%	2.25%
HYDRAULIC PRODUCTION							
Hoot Lake							
331.00 Structures and Improvements	38.04			38.03		99.81%	
332.00 Reservoirs, Dams and Waterways	38.16		0.04%	38.16		98.34%	0.04%
333.00 Water Wheels, Turbines & Generators	38.24		0.03%	38.23		98.87%	0.03%
334.00 Accessory Electric Equipment	38.27		0.04%	38.44		6.96%	2.42%
335.00 Miscellaneous Power Plant Equipment	38.41		0.24%	38.40		91.18%	0.23%
Total Hoot Lake			0.05%	38.35		53.81%	1.20%
Wright							
331.00 Structures and Improvements	38.23		0.06%	38.22		97.66%	0.06%
332.00 Reservoirs, Dams and Waterways	38.37		0.21%	38.37		92.06%	0.21%
333.00 Water Wheels, Turbines & Generators	38.39		0.08%	38.39		97.05%	0.08%
334.00 Accessory Electric Equipment	38.35		0.11%	38.35		95.72%	0.11%
335.00 Miscellaneous Power Plant Equipment	38.37		0.17%	38.36		93.62%	0.17%
Total Wright			0.15%	38.37		94.17%	0.15%
Pisgah							
331.00 Structures and Improvements	38.19		0.05%	38.18		98.13%	0.05%
332.00 Reservoirs, Dams and Waterways	38.44		2.30%	38.43		13.82%	2.24%
333.00 Water Wheels, Turbines & Generators	38.36		0.14%	38.35		94.78%	0.14%
334.00 Accessory Electric Equipment	38.36		0.13%	38.35		95.08%	0.13%
335.00 Miscellaneous Power Plant Equipment	38.41		0.25%	38.40		90.74%	0.24%
Total Pisgah			2.09%	38.42		21.85%	2.03%
Dayton Hollow							
331.00 Structures and Improvements	38.40		0.22%	38.39		91.81%	0.21%
332.00 Reservoirs, Dams and Waterways	38.40		0.91%	38.40		59.20%	1.06%
333.00 Water Wheels, Turbines & Generators	38.36		0.14%	38.36		94.85%	0.13%
334.00 Accessory Electric Equipment	38.33		0.10%	38.32		96.42%	0.09%
335.00 Miscellaneous Power Plant Equipment	38.41		0.23%	38.40		91.46%	0.22%
Total Dayton Hollow			0.75%	38.39		66.73%	0.86%
Taplin Gorge							
331.00 Structures and Improvements	37.95		0.02%	37.95		99.29%	0.02%
332.00 Reservoirs, Dams and Waterways	38.30		0.13%	38.29		95.13%	0.13%
333.00 Water Wheels, Turbines & Generators	37.92		0.02%	37.91		99.38%	0.02%
334.00 Accessory Electric Equipment	38.30		0.08%	38.30		96.87%	0.08%
335.00 Miscellaneous Power Plant Equipment	38.38		0.18%	38.37		93.38%	0.17%
Total Taplin Gorge			0.13%	38.29		95.31%	0.12%

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	12.29	-5.9%	2.10%	11.32	-5.7%	82.19%	2.09%
342.00 Fuel Holders and Accessories	12.30	-5.9%	2.91%	11.33	-5.7%	72.97%	2.90%
343.00 Prime Movers	12.29	-5.9%	1.72%	11.32	-5.7%	86.47%	1.70%
344.00 Generators							
345.00 Accessory Electric Equipment	12.29	-5.9%	2.60%	11.32	-5.7%	76.47%	2.59%
346.00 Miscellaneous Power Plant Equipment	12.30	-5.9%	3.59%	11.33	-5.7%	65.41%	3.57%
Total Jamestown			1.84%	11.32	-5.7%	85.08%	1.83%
<u>Jamestown Unit 1</u>							
341.00 Structures and Improvements	12.29	-5.9%	2.01%	11.32	-5.8%	83.17%	2.00%
342.00 Fuel Holders and Accessories	12.30	-5.9%	3.06%	11.33	-5.8%	71.29%	3.05%
343.00 Prime Movers	12.29	-5.9%	1.99%	11.32	-5.8%	83.45%	1.97%
344.00 Generators							
345.00 Accessory Electric Equipment	12.28	-5.8%	1.79%	11.31	-5.8%	85.61%	1.79%
346.00 Miscellaneous Power Plant Equipment	12.30	-5.9%	3.73%	11.33	-5.8%	63.81%	3.71%
Total Jamestown Unit 1			2.12%	11.32	-5.8%	81.92%	2.11%
<u>Jamestown Unit 2</u>							
341.00 Structures and Improvements	12.30	-5.9%	3.10%	11.33	-5.8%	70.86%	3.08%
342.00 Fuel Holders and Accessories	12.28	-5.8%	1.38%	11.32	-5.8%	90.26%	1.37%
343.00 Prime Movers	12.29	-5.8%	1.51%	11.32	-5.8%	88.81%	1.50%
344.00 Generators							
345.00 Accessory Electric Equipment	12.30	-5.9%	4.34%	11.33	-5.8%	56.85%	4.32%
346.00 Miscellaneous Power Plant Equipment	12.29	-5.9%	-0.19%	11.32	-5.8%	108.01%	-0.20%
Total Jamestown Unit 2			1.57%	11.32	-5.8%	88.16%	1.56%
<u>Lake Preston</u>							
341.00 Structures and Improvements	12.29	-6.9%	1.63%	11.32	-6.9%	88.51%	1.62%
342.00 Fuel Holders and Accessories	12.29	-6.9%	1.76%	11.32	-6.9%	87.07%	1.75%
343.00 Prime Movers	12.29	-6.9%	1.58%	11.32	-6.9%	89.06%	1.58%
344.00 Generators							
345.00 Accessory Electric Equipment	12.29	-6.9%	1.65%	11.32	-6.9%	88.30%	1.64%
346.00 Miscellaneous Power Plant Equipment	12.28	-6.9%	0.99%	11.32	-6.9%	95.74%	0.99%
Total Lake Preston			1.60%	11.32	-6.9%	88.84%	1.60%
<u>Solway Combustion Turbine</u>							
341.00 Structures and Improvements	17.10	-1.6%	3.23%	16.15	-1.6%	49.30%	3.24%
342.00 Fuel Holders and Accessories	17.10	-1.6%	3.22%	16.15	-1.6%	47.62%	3.34%
343.00 Prime Movers	17.10	-1.6%	3.92%	16.15	-1.6%	38.36%	3.92%
344.00 Generators							
345.00 Accessory Electric Equipment	17.10	-1.6%	3.21%	16.14	-1.6%	49.98%	3.20%
346.00 Miscellaneous Power Plant Equipment	17.10	-1.6%	3.48%	16.15	-1.6%	45.64%	3.47%
Total Solway Combustion Turbine			3.74%	16.15	-1.6%	41.20%	3.74%
<u>Astoria Station Combustion Turbine</u>							
341.00 Structures and Improvements	34.00	-1.7%	2.92%	33.01	-1.7%	2.37%	3.01%
342.00 Fuel Holders and Accessories	34.00	-1.7%	2.92%	33.01	-1.7%	2.37%	3.01%
343.00 Prime Movers	34.00	-1.7%	2.92%	33.01	-1.7%	2.37%	3.01%
344.00 Generators	34.00	-1.7%					
345.00 Accessory Electric Equipment	34.00	-1.7%	2.92%	33.01	-1.7%	2.37%	3.01%
346.00 Miscellaneous Power Plant Equipment	34.00	-1.7%	2.92%	33.01	-1.7%	2.37%	3.01%
Total Astoria Station Combustion Turbine			2.92%	33.01	-1.7%	2.37%	3.01%
<u>Fergus Falls Control Center</u>							
341.00 Structures and Improvements							
342.00 Fuel Holders and Accessories							
343.00 Prime Movers	9.38	-5.0%	3.55%	8.40	-5.0%	75.23%	3.54%
344.00 Generators							
345.00 Accessory Electric Equipment							
346.00 Miscellaneous Power Plant Equipment							
Total Fergus Falls Control Center			3.55%	8.40	-5.0%	75.23%	3.54%

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
WIND PRODUCTION							
<u>Ashtabula</u>							
341.00 Structures and Improvements	21.85	-4.3%	2.55%	20.90	-4.2%	51.04%	2.54%
344.00 Generators	21.85	-4.3%	2.63%	20.90	-4.2%	49.16%	2.63%
345.00 Accessory Electric Equipment	21.85	-4.3%	2.59%	20.90	-4.2%	50.27%	2.58%
346.00 Miscellaneous Power Plant Equipment	21.87	-4.2%	5.06%	20.92	-4.2%	-1.37%	5.05%
Total Ashtabula			2.63%	20.90	-4.2%	49.22%	2.63%
<u>Langdon</u>							
341.00 Structures and Improvements	20.90	-4.9%	2.51%	19.96	-4.9%	54.86%	2.51%
344.00 Generators	20.90	-4.9%	2.65%	19.96	-4.9%	51.91%	2.65%
345.00 Accessory Electric Equipment	20.90	-4.9%	2.56%	19.96	-4.9%	53.97%	2.55%
346.00 Miscellaneous Power Plant Equipment	20.92	-4.9%	4.93%	19.97	-4.9%	6.75%	4.91%
Total Langdon			2.64%	19.96	-4.9%	52.10%	2.64%
<u>Luverne</u>							
341.00 Structures and Improvements	22.79	-7.1%	2.70%	21.85	-7.0%	48.24%	2.69%
344.00 Generators	22.79	-7.1%	2.84%	21.85	-7.0%	44.11%	2.88%
345.00 Accessory Electric Equipment	22.79	-7.1%	2.70%	21.85	-7.0%	48.22%	2.69%
346.00 Miscellaneous Power Plant Equipment	22.81	-7.1%	4.56%	21.86	-7.0%	7.25%	4.56%
Total Luverne			2.83%	21.85	-7.0%	44.41%	2.87%
<u>Merricourt</u>							
341.00 Structures and Improvements	33.01	-5.0%	3.18%	32.09	-5.0%	3.11%	3.18%
344.00 Generators	33.01	-5.0%	3.18%	32.09	-5.0%	3.11%	3.18%
345.00 Accessory Electric Equipment	33.01	-5.0%	3.18%	32.09	-5.0%	3.11%	3.18%
346.00 Miscellaneous Power Plant Equipment							
Total Merricourt			3.18%	32.09	-5.0%	3.11%	3.18%
SOLAR PRODUCTION							
<u>Jamestown</u>							
343.00 Prime Movers	22.81	-1.0%	4.28%	21.86	-1.0%	6.62%	4.32%
Total Jamestown			4.28%	21.86	-1.0%	6.62%	4.32%
<u>Rush Lake</u>							
343.00 Prime Movers	23.75	-1.0%	4.21%	22.81	-1.0%	4.38%	4.24%
Total Rush Lake			4.21%	22.81	-1.0%	4.38%	4.24%

OTTER TAIL POWER COMPANY

Comparison of Current and Updated Accruals

Current: VG Procedure / RL Technique

Proposed: VG Procedure / RL Technique

Statement B

Account Description A	12/31/21 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	\$ 4,660,795	0.49323504	\$ 932,159	\$ 459,773	\$ 932,159	\$ 459,773	\$ -	\$ -	
303.92 Software - 10 Year	25,647,055	0.49323504	2,564,706	1,265,003	2,564,706	1,265,003			
Total Intangible Plant	\$ 30,307,850		\$ 3,496,865	\$ 1,724,776	\$ 3,496,865	\$ 1,724,776	\$ -	\$ -	
STEAM PRODUCTION									
311.00 Structures and Improvements	\$ 115,225,339	0.54983521	\$ 2,820,658	\$ 1,550,897	\$ 2,816,111	\$ 1,548,397	\$ (4,547)	\$ (2,500)	
312.00 Boiler Plant Equipment	307,187,984	0.54983521	9,397,070	5,166,840	9,478,565	5,211,649	81,495	44,809	
312.10 Boiler Plant Equipment - Landfill	10,412,772	0.54983521	233,246	128,247	233,246	128,247			
314.00 Turbogenerator Units	54,982,760	0.54983521	1,134,545	623,813	1,153,160	634,048	18,615	10,235	
315.00 Accessory Electric Equipment	33,205,528	0.54983521	746,053	410,206	747,267	410,874	1,214	668	
316.00 Miscellaneous Power Plant Equipment	5,800,947	0.54983521	163,334	89,807	171,077	94,064	7,743	4,257	
Total Steam Production Plant	\$ 526,815,330		\$ 14,494,906	\$ 7,969,810	\$ 14,599,426	\$ 8,027,279	\$ 104,520	\$ 57,469	
HYDRAULIC PRODUCTION									
331.00 Structures and Improvements	\$ 151,907	0.54983521	\$ 60	\$ 33	\$ 58	\$ 32	\$ (2)	\$ (1)	
332.00 Reservoirs, Dams and Waterways	6,861,928	0.54983521	91,158	50,122	92,377	50,792	1,219	670	
333.00 Water Wheels, Turbines & Generators	1,051,180	0.54983521	1,011	556	989	544	(22)	(12)	
334.00 Accessory Electric Equipment	1,047,250	0.54983521	792	436	12,439	6,840	11,647	6,404	
335.00 Miscellaneous Power Plant Equipment	434,225	0.54983521	899	494	868	478	(31)	(16)	
Total Hydraulic Production Plant	\$ 9,546,490		\$ 93,920	\$ 51,641	\$ 106,731	\$ 58,686	\$ 12,811	\$ 7,045	
OTHER PRODUCTION									
341.00 Structures and Improvements	\$ 28,923,719	0.54983521	\$ 853,921	\$ 469,515	\$ 875,551	\$ 481,409	\$ 21,630	\$ 11,894	
342.00 Fuel Holders and Accessories	7,355,560	0.54983521	214,134	117,739	220,329	121,145	6,195	3,406	
343.00 Prime Movers	132,695,999	0.54983521	3,957,893	2,176,189	4,047,896	2,225,676	90,003	49,487	
344.00 Generators									
345.00 Accessory Electric Equipment	8,867,871	0.54983521	256,933	141,270	262,984	144,598	6,051	3,328	
346.00 Miscellaneous Power Plant Equipment	1,814,920	0.54983521	54,956	30,217	56,155	30,878	1,199	661	
Total Other Production Plant	\$ 179,658,069		\$ 5,337,837	\$ 2,934,930	\$ 5,462,915	\$ 3,003,706	\$ 125,078	\$ 68,776	
WIND PRODUCTION									
341.00 Structures and Improvements	\$ 15,815,172	0.54904353	\$ 454,935	\$ 249,779	\$ 454,384	\$ 249,477	\$ (551)	\$ (302)	
344.00 Generators	480,657,216	0.54904353	14,088,984	7,735,466	14,116,412	7,750,526	27,428	15,060	
345.00 Accessory Electric Equipment	36,988,761	0.54904353	1,068,740	586,785	1,066,865	585,755	(1,875)	(1,030)	
346.00 Miscellaneous Power Plant Equipment	452,421	0.54904353	21,809	11,974	21,766	11,950	(43)	(24)	
Total Wind Production Plant	\$ 533,913,570		\$ 15,634,468	\$ 8,584,004	\$ 15,659,427	\$ 8,597,708	\$ 24,959	\$ 13,704	
SOLAR PRODUCTION									
343.00 Prime Movers	\$ 317,317	0.54904353	\$ 13,472	\$ 7,397	\$ 13,584	\$ 7,459	\$ 112	\$ 62	
Total Solar Production Plant	\$ 317,317		\$ 13,472	\$ 7,397	\$ 13,584	\$ 7,459	\$ 112	\$ 62	

OTTER TAIL POWER COMPANY

Comparison of Current and Updated Accruals

Current: VG Procedure / RL Technique

Proposed: VG Procedure / RL Technique

Statement B

Account Description	12/31/21 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
TRANSMISSION PLANT								
353.00 Station Equipment	\$ 169,006,871	0.51878298	\$ 2,619,607	\$ 1,359,008	\$ 2,619,607	\$ 1,359,008	\$ -	\$ -
354.00 Towers and Fixtures	191,044,804	0.51878298	2,789,254	1,447,018	2,808,359	1,456,929	19,105	9,911
355.00 Poles and Fixtures	163,278,820	0.51878298	3,020,658	1,567,066	3,053,314	1,584,007	32,656	16,941
356.00 Overhead Conductors and Devices	178,312,969	0.51878298	2,888,670	1,498,593	2,906,501	1,507,843	17,831	9,250
358.00 Underground Conductors and Devices	99,466	0.51878298	597	310	1,393	723	796	413
Total Transmission Plant	\$ 701,742,930		\$ 11,318,786	\$ 5,871,995	\$ 11,389,174	\$ 5,908,510	\$ 70,388	\$ 36,515
DISTRIBUTION PLANT								
362.00 Station Equipment	\$ 93,989,896	0.44432212	\$ 1,814,005	\$ 806,003	\$ 1,823,404	\$ 810,179	\$ 9,399	\$ 4,176
364.00 Poles, Towers and Fixtures	81,910,745	0.44432212	2,383,603	1,059,088	2,375,412	1,055,448	(8,191)	(3,640)
365.00 Overhead Conductors and Devices	58,583,119	0.44432212	1,335,695	593,479	1,341,553	596,082	5,858	2,603
367.00 Underground Conductors and Devices	101,015,178	0.44432212	2,091,014	929,084	2,121,319	942,549	30,305	13,465
368.00 Line Transformers	120,031,810	0.44432212	2,100,557	933,324	2,076,550	922,657	(24,007)	(10,667)
369.00 Overhead Services	13,853,765	0.44432212	815,987	362,561	814,601	361,945	(1,386)	(616)
369.10 Underground Services	47,930,412	0.44432212	1,078,434	479,172	1,083,227	481,302	4,793	2,130
370.00 Meters	27,785,491	0.44432212	936,371	416,050	925,257	411,112	(11,114)	(4,938)
370.05 Smart Meters	921,313	0.44432212	47,540	21,123	47,632	21,164	92	41
370.10 Load Management Switches	8,899,439	0.44432212	121,032	53,777	80,095	35,588	(40,937)	(18,189)
371.10 Electric Vehicle Charging Stations	26,200	0.44432212	2,620	1,164	2,620	1,164		
371.20 Other Private Lighting	8,533,104	0.44432212	319,138	141,800	334,498	148,625	15,360	6,825
373.00 Street Lighting and Signal Systems	10,440,649	0.44432212	470,873	209,219	494,887	219,889	24,014	10,670
Total Distribution Plant	\$ 573,921,121		\$ 13,516,869	\$ 6,005,844	\$ 13,521,055	\$ 6,007,704	\$ 4,186	\$ 1,860
GENERAL PLANT								
Depreciable								
390.00 Structures and Improvements	\$ 21,205,647	0.49323504	\$ 398,666	\$ 196,636	\$ 392,304	\$ 193,498	\$ (6,362)	\$ (3,138)
390.10 General Office Buildings	6,660,529	0.49323504	53,950	26,610	67,271	33,180	13,321	6,570
390.20 Fleet Service Center Building	733,050	0.49323504	3,592	1,772	(4,838)	(2,386)	(8,430)	(4,158)
390.25 Fleet Service Center - Jamestown	2,154,593	0.49323504	18,099	8,927	18,745	9,246	646	319
390.30 Central Stores Building	4,276,593	0.49323504	(22,666)	(11,180)	(22,666)	(11,180)		
396.00 Power Operated Equipment	1,517,303	0.49323504	60,692	29,935	59,782	29,487	(910)	(448)
397.40 Communication Towers	1,877,722	0.49323504	31,921	15,745	31,734	15,652	(187)	(93)
Total Depreciable	\$ 38,425,437		\$ 544,254	\$ 268,445	\$ 542,332	\$ 267,497	\$ (1,922)	\$ (948)

OTTER TAIL POWER COMPANY

Comparison of Current and Updated Accruals

Current: VG Procedure / RL Technique

Proposed: VG Procedure / RL Technique

Statement B

Account Description A	12/31/21 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
Amortizable								
391.00 Office Furniture	\$ 766,687	0.49323504	\$ 51,138	\$ 25,223	\$ 51,138	\$ 25,223	\$ -	\$ -
391.10 Office Equipment	466,306	0.49323504	46,631	23,000	46,631	23,000		
391.20 Duplicating Equipment	201,675	0.49323504	20,168	9,948	20,168	9,948		
391.50 Computer Systems	4,953,359	0.49323504	990,672	488,634	990,672	488,634		
391.60 Computer Related Equipment	2,861,494	0.49323504	572,299	282,278	572,299	282,278		
394.00 Tools, Shop and Garage Equipment	4,736,577	0.49323504	315,930	155,828	315,930	155,828		
394.20 Automated Meter Reading Equipment	991,428	0.49323504	66,128	32,617	66,128	32,617		
397.00 Communication Equipment	3,890,006	0.49323504	259,463	127,976	259,463	127,976		
397.10 Radio Telecommunication Equipment	243,300	0.49323504	24,330	12,000	24,330	12,000		
397.20 Microwave Equipment	3,683,307	0.49323504	245,677	121,177	245,677	121,177		
397.30 Radio Load Control Equipment	459,343	0.49323504	45,934	22,656	45,934	22,656		
Total Amortizable	\$ 23,253,482		\$ 2,638,370	\$ 1,301,337	\$ 2,638,370	\$ 1,301,337	\$ -	\$ -
Total General Plant	\$ 61,678,919		\$ 3,182,624	\$ 1,569,782	\$ 3,180,702	\$ 1,568,834	\$ (1,922)	\$ (948)
TOTAL UTILITY	\$ 2,617,901,596		\$ 67,089,747	\$ 34,720,179	\$ 67,429,879	\$ 34,904,662	\$ 340,132	\$ 184,483
STEAM PRODUCTION								
Big Stone								
311.00 Structures and Improvements	\$ 80,346,657	0.54983521	\$ 2,241,672	\$ 1,232,550	\$ 2,233,637	\$ 1,228,132	\$ (8,035)	\$ (4,418)
312.00 Boiler Plant Equipment	200,576,526	0.54983521	6,859,717	3,771,714	6,919,890	3,804,799	60,173	33,085
312.10 Boiler Plant Equipment - Landfill								
314.00 Turbogenerator Units	31,024,229	0.54983521	521,207	286,578	539,822	296,813	18,615	10,235
315.00 Accessory Electric Equipment	21,065,840	0.54983521	528,753	290,727	528,753	290,727		
316.00 Miscellaneous Power Plant Equipment	3,414,415	0.54983521	86,726	47,685	89,458	49,187	2,732	1,502
Total Big Stone	\$ 336,427,667		\$ 10,238,075	\$ 5,629,254	\$ 10,311,560	\$ 5,669,658	\$ 73,485	\$ 40,404
Hoot Lake Units 2 and 3								
311.00 Structures and Improvements	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
312.00 Boiler Plant Equipment								
312.10 Boiler Plant Equipment - Landfill	10,412,772	0.54983521	233,246	128,247	233,246	128,247		
314.00 Turbogenerator Units								
315.00 Accessory Electric Equipment								
316.00 Miscellaneous Power Plant Equipment								
Total Hoot Lake Units 2 and 3	\$ 10,412,772		\$ 233,246	\$ 128,247	\$ 233,246	\$ 128,247	\$ -	\$ -

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	12/31/21 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	
Coyote									
311.00 Structures and Improvements	\$ 34,878,682	0.54983521	\$ 578,986	\$ 318,347	\$ 582,474	\$ 320,265	\$ 3,488	\$ 1,918	
312.00 Boiler Plant Equipment	106,611,458	0.54983521	2,537,353	1,395,126	2,558,675	1,406,850	21,322	11,724	
312.10 Boiler Plant Equipment - Landfill									
314.00 Turbogenerator Units	23,958,531	0.54983521	613,338	337,235	613,338	337,235			
315.00 Accessory Electric Equipment	12,139,688	0.54983521	217,300	119,479	218,514	120,147	1,214	668	
316.00 Miscellaneous Power Plant Equipment	2,386,532	0.54983521	76,608	42,122	81,619	44,877	5,011	2,755	
Total Coyote	\$ 179,974,891		\$ 4,023,585	\$ 2,212,309	\$ 4,054,620	\$ 2,229,374	\$ 31,035	\$ 17,065	
HYDRAULIC PRODUCTION									
Hoot Lake									
331.00 Structures and Improvements	\$ 69,354	0.54983521	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
332.00 Reservoirs, Dams and Waterways	297,674	0.54983521	119	65	119	65			
333.00 Water Wheels, Turbines & Generators	104,195	0.54983521	31	17	31	17			
334.00 Accessory Electric Equipment	490,174	0.54983521	196	108	11,862	6,522	11,666	6,414	
335.00 Miscellaneous Power Plant Equipment	48,801	0.54983521	117	64	112	62	(5)	(2)	
Total Hoot Lake	\$ 1,010,198		\$ 463	\$ 254	\$ 12,124	\$ 6,666	\$ 11,661	\$ 6,412	
Wright									
331.00 Structures and Improvements	\$ 19,026	0.54983521	\$ 11	\$ 6	\$ 11	\$ 6	\$ -	\$ -	
332.00 Reservoirs, Dams and Waterways	892,711	0.54983521	1,875	1,031	1,875	1,031			
333.00 Water Wheels, Turbines & Generators	545,392	0.54983521	436	240	436	240			
334.00 Accessory Electric Equipment	202,552	0.54983521	223	123	223	123			
335.00 Miscellaneous Power Plant Equipment	115,218	0.54983521	196	108	196	108			
Total Wright	\$ 1,774,899		\$ 2,741	\$ 1,508	\$ 2,741	\$ 1,508	\$ -	\$ -	
Pisgah									
331.00 Structures and Improvements	\$ 12,118	0.54983521	\$ 6	\$ 3	\$ 6	\$ 3	\$ -	\$ -	
332.00 Reservoirs, Dams and Waterways	3,039,881	0.54983521	69,917	38,443	68,093	37,440	(1,824)	(1,003)	
333.00 Water Wheels, Turbines & Generators	159,732	0.54983521	224	123	224	123			
334.00 Accessory Electric Equipment	102,487	0.54983521	133	73	133	73			
335.00 Miscellaneous Power Plant Equipment	62,744	0.54983521	157	86	151	83	(6)	(3)	
Total Pisgah	\$ 3,376,962		\$ 70,437	\$ 38,728	\$ 68,607	\$ 37,722	\$ (1,830)	\$ (1,006)	
Dayton Hollow									
331.00 Structures and Improvements	\$ 16,269	0.54983521	\$ 36	\$ 20	\$ 34	\$ 19	\$ (2)	\$ (1)	
332.00 Reservoirs, Dams and Waterways	2,028,900	0.54983521	18,463	10,152	21,506	11,825	3,043	1,673	
333.00 Water Wheels, Turbines & Generators	226,751	0.54983521	317	174	295	162	(22)	(12)	
334.00 Accessory Electric Equipment	193,342	0.54983521	193	106	174	96	(19)	(10)	
335.00 Miscellaneous Power Plant Equipment	111,159	0.54983521	256	141	245	135	(11)	(6)	
Total Dayton Hollow	\$ 2,576,421		\$ 19,265	\$ 10,593	\$ 22,254	\$ 12,237	\$ 2,989	\$ 1,644	

OTTER TAIL POWER COMPANY

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

Account Description A	12/31/21 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	
Taplin Gorge									
331.00 Structures and Improvements	\$ 35,140	0.54983521	\$ 7	\$ 4	\$ 7	\$ 4	\$ -	\$ -	
332.00 Reservoirs, Dams and Waterways	602,762	0.54983521	784	431	784	431			
333.00 Water Wheels, Turbines & Generators	15,110	0.54983521	3	2	3	2			
334.00 Accessory Electric Equipment	58,695	0.54983521	47	26	47	26			
335.00 Miscellaneous Power Plant Equipment	96,303	0.54983521	173	95	164	90	(9)	(5)	
Total Taplin Gorge	\$ 808,010		\$ 1,014	\$ 558	\$ 1,005	\$ 553	\$ (9)	\$ (5)	
OTHER PRODUCTION									
Jamestown									
341.00 Structures and Improvements	\$ 311,512	0.54983521	\$ 6,532	\$ 3,591	\$ 6,498	\$ 3,573	\$ (34)	\$ (18)	
342.00 Fuel Holders and Accessories	415,964	0.54983521	12,110	6,659	12,069	6,636	(41)	(23)	
343.00 Prime Movers	6,952,527	0.54983521	119,531	65,723	118,533	65,174	(998)	(549)	
344.00 Generators									
345.00 Accessory Electric Equipment	227,590	0.54983521	5,918	3,254	5,903	3,246	(15)	(8)	
346.00 Miscellaneous Power Plant Equipment	88,665	0.54983521	3,182	1,750	3,165	1,741	(17)	(9)	
Total Jamestown	\$ 7,996,258		\$ 147,273	\$ 80,977	\$ 146,168	\$ 80,370	\$ (1,105)	\$ (607)	
Jamestown Unit 1									
341.00 Structures and Improvements	\$ 286,659	0.54983521	\$ 5,762	\$ 3,168	\$ 5,733	\$ 3,152	\$ (29)	\$ (16)	
342.00 Fuel Holders and Accessories	379,195	0.54983521	11,603	6,380	11,565	6,359	(38)	(21)	
343.00 Prime Movers	3,030,866	0.54983521	60,314	33,163	59,708	32,830	(606)	(333)	
344.00 Generators									
345.00 Accessory Electric Equipment	155,272	0.54983521	2,779	1,528	2,779	1,528			
346.00 Miscellaneous Power Plant Equipment	85,462	0.54983521	3,188	1,753	3,171	1,744	(17)	(9)	
Total Jamestown Unit 1	\$ 3,937,454		\$ 83,646	\$ 45,992	\$ 82,956	\$ 45,613	\$ (690)	\$ (379)	
Jamestown Unit 2									
341.00 Structures and Improvements	\$ 24,853	0.54983521	\$ 770	\$ 423	\$ 765	\$ 421	\$ (5)	\$ (2)	
342.00 Fuel Holders and Accessories	36,769	0.54983521	507	279	504	277	(3)	(2)	
343.00 Prime Movers	3,921,661	0.54983521	59,217	32,560	58,825	32,344	(392)	(216)	
344.00 Generators									
345.00 Accessory Electric Equipment	72,318	0.54983521	3,139	1,726	3,124	1,718	(15)	(8)	
346.00 Miscellaneous Power Plant Equipment	3,203	0.54983521	(6)	(3)	(6)	(3)			
Total Jamestown Unit 2	\$ 4,058,804		\$ 63,627	\$ 34,985	\$ 63,212	\$ 34,757	\$ (415)	\$ (228)	

OTTER TAIL POWER COMPANY

Comparison of Current and Updated Accruals

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Statement B

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			Total D	Minnesota E=C*D	Total F	Minnesota G=C*F	Total H=F-D	Minnesota I=G-E	
Lake Preston									
341.00 Structures and Improvements	\$ 233,982	0.54983521	\$ 3,814	\$ 2,097	\$ 3,791	\$ 2,084	\$ (23)	\$ (13)	
342.00 Fuel Holders and Accessories	328,705	0.54983521	5,785	3,181	5,752	3,163	(33)	(18)	
343.00 Prime Movers	3,282,642	0.54983521	51,866	28,518	51,866	28,518			
344.00 Generators									
345.00 Accessory Electric Equipment	400,094	0.54983521	6,602	3,630	6,562	3,608	(40)	(22)	
346.00 Miscellaneous Power Plant Equipment	21,607	0.54983521	214	118	214	118			
Total Lake Preston	\$ 4,267,030		\$ 68,281	\$ 37,544	\$ 68,185	\$ 37,491	\$ (96)	\$ (53)	
Solway Combustion Turbine									
341.00 Structures and Improvements	\$ 4,816,246	0.54983521	\$ 155,565	\$ 85,535	\$ 156,046	\$ 85,800	\$ 481	\$ 265	
342.00 Fuel Holders and Accessories	1,066,896	0.54983521	34,354	18,889	35,634	19,593	1,280	704	
343.00 Prime Movers	20,691,282	0.54983521	811,098	445,970	811,098	445,970			
344.00 Generators									
345.00 Accessory Electric Equipment	1,310,193	0.54983521	42,057	23,124	41,926	23,052	(131)	(72)	
346.00 Miscellaneous Power Plant Equipment	318,649	0.54983521	11,089	6,097	11,057	6,080	(32)	(17)	
Total Solway Combustion Turbine	\$ 28,203,266		\$ 1,054,163	\$ 579,615	\$ 1,055,761	\$ 580,495	\$ 1,598	\$ 880	
Astoria Station Combustion Turbine									
341.00 Structures and Improvements	\$ 23,561,979	0.54983521	\$ 688,010	\$ 378,292	\$ 709,216	\$ 389,952	\$ 21,206	\$ 11,660	
342.00 Fuel Holders and Accessories	5,543,995	0.54983521	161,885	89,010	166,874	91,753	4,989	2,743	
343.00 Prime Movers	101,177,910	0.54983521	2,954,395	1,624,430	3,045,455	1,674,498	91,060	50,068	
344.00 Generators									
345.00 Accessory Electric Equipment	6,929,994	0.54983521	202,356	111,262	208,593	114,692	6,237	3,430	
346.00 Miscellaneous Power Plant Equipment	1,385,999	0.54983521	40,471	22,252	41,719	22,939	1,248	687	
Total Astoria Station Combustion Turbine	\$ 138,599,877		\$ 4,047,117	\$ 2,225,246	\$ 4,171,857	\$ 2,293,834	\$ 124,740	\$ 68,588	
Fergus Falls Control Center									
341.00 Structures and Improvements	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
342.00 Fuel Holders and Accessories									
343.00 Prime Movers	591,638	0.54983521	21,003	11,548	20,944	11,516	(59)	(32)	
344.00 Generators									
345.00 Accessory Electric Equipment									
346.00 Miscellaneous Power Plant Equipment									
Total Fergus Falls Control Center	\$ 591,638		\$ 21,003	\$ 11,548	\$ 20,944	\$ 11,516	\$ (59)	\$ (32)	

OTTER TAIL POWER COMPANY

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

Statement B

Account Description A	12/31/21 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	
WIND PRODUCTION									
Ashtabula									
341.00 Structures and Improvements	\$ 3,248,290	0.54904353	\$ 82,831	\$ 45,478	\$ 82,507	\$ 45,300	\$ (324)	\$ (178)	
344.00 Generators	107,489,257	0.54904353	2,826,967	1,552,128	2,826,967	1,552,128			
345.00 Accessory Electric Equipment	6,479,774	0.54904353	167,826	92,144	167,178	91,788	(648)	(356)	
346.00 Miscellaneous Power Plant Equipment	122,301	0.54904353	6,188	3,397	6,176	3,391	(12)	(6)	
Total Ashtabula	\$ 117,339,622		\$ 3,083,812	\$ 1,693,147	\$ 3,082,828	\$ 1,692,607	\$ (984)	\$ (540)	
Langdon									
341.00 Structures and Improvements	\$ 2,484,069	0.54904353	\$ 62,350	\$ 34,233	\$ 62,350	\$ 34,233	\$ -	\$ -	
344.00 Generators	70,109,887	0.54904353	1,857,912	1,020,075	1,857,912	1,020,075			
345.00 Accessory Electric Equipment	7,407,275	0.54904353	189,626	104,113	188,886	103,707	(740)	(406)	
346.00 Miscellaneous Power Plant Equipment	153,450	0.54904353	7,565	4,154	7,534	4,136	(31)	(18)	
Total Langdon	\$ 80,154,681		\$ 2,117,453	\$ 1,162,575	\$ 2,116,682	\$ 1,162,151	\$ (771)	\$ (424)	
Luverne									
341.00 Structures and Improvements	\$ 2,266,581	0.54904353	\$ 61,198	\$ 33,600	\$ 60,971	\$ 33,476	\$ (227)	\$ (124)	
344.00 Generators	68,571,113	0.54904353	1,947,420	1,069,218	1,974,848	1,084,278	27,428	15,060	
345.00 Accessory Electric Equipment	4,863,837	0.54904353	131,324	72,103	130,837	71,835	(487)	(268)	
346.00 Miscellaneous Power Plant Equipment	176,670	0.54904353	8,056	4,423	8,056	4,423			
Total Luverne	\$ 75,878,201		\$ 2,147,998	\$ 1,179,344	\$ 2,174,712	\$ 1,194,012	\$ 26,714	\$ 14,668	
Merricourt									
341.00 Structures and Improvements	\$ 7,816,232	0.54904353	\$ 248,556	\$ 136,468	\$ 248,556	\$ 136,468	\$ -	\$ -	
344.00 Generators	234,486,959	0.54904353	7,456,685	4,094,045	7,456,685	4,094,045			
345.00 Accessory Electric Equipment	18,237,875	0.54904353	579,964	318,425	579,964	318,425			
346.00 Miscellaneous Power Plant Equipment		0.54904353							
Total Merricourt	\$ 260,541,066		\$ 8,285,205	\$ 4,548,938	\$ 8,285,205	\$ 4,548,938	\$ -	\$ -	
SOLAR PRODUCTION									
Jamestown									
343.00 Prime Movers	\$ 161,194	0.54904353	\$ 6,899	\$ 3,788	\$ 6,964	\$ 3,824	\$ 65	\$ 36	
Total Jamestown	\$ 161,194		\$ 6,899	\$ 3,788	\$ 6,964	\$ 3,824	\$ 65	\$ 36	
Rush Lake									
343.00 Prime Movers	\$ 156,123	0.54904353	\$ 6,573	\$ 3,609	\$ 6,620	\$ 3,635	\$ 47	\$ 26	
Total Rush Lake	\$ 156,123		\$ 6,573	\$ 3,609	\$ 6,620	\$ 3,635	\$ 47	\$ 26	

OTTER TAIL POWER COMPANY
Depreciation Reserve Summary
Vintage Group Procedure
December 31, 2021

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	\$ 4,660,795	\$ 3,156,189	67.72%	\$ 3,272,910	70.22%	\$ (116,721)	-3.70%	
303.92 Software - 10 Year	25,647,055	5,972,394	23.29%	5,318,301	20.74%	654,093	10.95%	
Total Intangible Plant	\$ 30,307,850	\$ 9,128,583	30.12%	\$ 8,591,211	28.35%	\$ 537,372	5.89%	
STEAM PRODUCTION								
311.00 Structures and Improvements	\$ 115,225,339	\$ 58,871,423	51.09%	\$ 49,971,856	43.37%	\$ 8,899,567	15.12%	
312.00 Boiler Plant Equipment	307,187,984	115,120,591	37.48%	113,491,983	36.95%	1,628,607	1.41%	
312.10 Boiler Plant Equipment - Landfill	10,412,772	3,804,257	36.53%	2,189,723	21.03%	1,614,533	42.44%	
314.00 Turbogenerator Units	54,982,760	34,409,395	62.58%	28,592,300	52.00%	5,817,095	16.91%	
315.00 Accessory Electric Equipment	33,205,528	18,750,732	56.47%	15,655,800	47.15%	3,094,933	16.51%	
316.00 Miscellaneous Power Plant Equipment	5,800,947	2,526,327	43.55%	2,455,678	42.33%	70,649	2.80%	
Total Steam Production Plant	\$ 526,815,330	\$ 233,482,725	44.32%	\$ 212,357,340	40.31%	\$ 21,125,384	9.05%	
HYDRAULIC PRODUCTION								
331.00 Structures and Improvements	\$ 151,907	\$ 149,522	98.43%	\$ 83,924	55.25%	\$ 65,598	43.87%	
332.00 Reservoirs, Dams and Waterways	6,861,928	3,309,246	48.23%	1,239,666	18.07%	2,069,580	62.54%	
333.00 Water Wheels, Turbines & Generators	1,051,180	1,013,831	96.45%	237,645	22.61%	776,186	76.56%	
334.00 Accessory Electric Equipment	1,047,250	568,721	54.31%	207,019	19.77%	361,703	63.60%	
335.00 Miscellaneous Power Plant Equipment	434,225	400,886	92.32%	97,544	22.46%	303,342	75.67%	
Total Hydraulic Production Plant	\$ 9,546,490	\$ 5,442,206	57.01%	\$ 1,865,798	19.54%	\$ 3,576,409	65.72%	
OTHER PRODUCTION								
341.00 Structures and Improvements	\$ 28,923,719	\$ 3,395,722	11.74%	\$ 3,097,271	10.71%	\$ 298,452	8.79%	
342.00 Fuel Holders and Accessories	7,355,560	1,229,059	16.71%	1,112,863	15.13%	116,196	9.45%	
343.00 Prime Movers	132,695,999	19,714,970	14.86%	19,495,135	14.69%	219,835	1.12%	
344.00 Generators								
345.00 Accessory Electric Equipment	8,867,871	1,346,274	15.18%	1,248,637	14.08%	97,637	7.25%	
346.00 Miscellaneous Power Plant Equipment	1,814,920	256,932	14.16%	236,608	13.04%	20,324	7.91%	
Total Other Production Plant	\$ 179,658,069	\$ 25,942,957	14.44%	\$ 25,190,513	14.02%	\$ 752,444	2.90%	
WIND PRODUCTION								
341.00 Structures and Improvements	\$ 15,815,172	\$ 4,357,028	27.55%	\$ 3,538,691	22.38%	\$ 818,337	18.78%	
344.00 Generators	480,657,216	126,765,883	26.37%	105,038,080	21.85%	21,727,804	17.14%	
345.00 Accessory Electric Equipment	36,988,761	10,166,920	27.49%	8,249,901	22.30%	1,917,019	18.86%	
346.00 Miscellaneous Power Plant Equipment	452,421	21,485	4.75%	58,011	12.82%	(36,526)	-170.00%	
Total Wind Production Plant	\$ 533,913,570	\$ 141,311,317	26.47%	\$ 116,884,682	21.89%	\$ 24,426,635	17.29%	
SOLAR PRODUCTION								
343.00 Prime Movers	317,317	17,506	5.52%	25,104	7.91%	(7,598)	-43.40%	
Total Solar Production Plant	\$ 317,317	\$ 17,506	5.52%	\$ 25,104	7.91%	\$ (7,598)	-43.40%	

OTTER TAIL POWER COMPANY
Depreciation Reserve Summary
Vintage Group Procedure
December 31, 2021

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	
TRANSMISSION PLANT								
353.00 Station Equipment	\$ 169,006,871	\$ 31,021,035	18.35%	\$ 29,622,477	17.53%	\$ 1,398,558	4.51%	
354.00 Towers and Fixtures	191,044,804	16,404,633	8.59%	16,447,684	8.61%	(43,051)	-0.26%	
355.00 Poles and Fixtures	163,278,820	59,608,407	36.51%	51,357,210	31.45%	8,251,197	13.84%	
356.00 Overhead Conductors and Devices	178,312,969	49,226,695	27.61%	41,816,979	23.45%	7,409,715	15.05%	
358.00 Underground Conductors and Devices	99,466	75,679	76.09%	61,393	61.72%	14,286	18.88%	
Total Transmission Plant	\$ 701,742,930	\$ 156,336,448	22.28%	\$ 139,305,744	19.85%	\$ 17,030,705	10.89%	
DISTRIBUTION PLANT								
362.00 Station Equipment	\$ 93,989,896	\$ 26,532,575	28.23%	\$ 19,779,258	21.04%	\$ 6,753,317	25.45%	
364.00 Poles, Towers and Fixtures	81,910,745	49,438,562	60.36%	50,916,747	62.16%	(1,478,185)	-2.99%	
365.00 Overhead Conductors and Devices	58,583,119	44,681,128	76.27%	34,970,440	59.69%	9,710,687	21.73%	
367.00 Underground Conductors and Devices	101,015,178	43,316,532	42.88%	36,357,507	35.99%	6,959,025	16.07%	
368.00 Line Transformers	120,031,810	20,622,603	17.18%	25,487,964	21.23%	(4,865,360)	-23.59%	
369.00 Overhead Services	13,853,765	18,014,219	130.03%	19,504,136	140.79%	(1,489,918)	-8.27%	
369.10 Underground Services	47,930,412	22,317,877	46.56%	20,056,775	41.85%	2,261,102	10.13%	
370.00 Meters	27,785,491	10,136,670	36.48%	9,662,787	34.78%	473,883	4.67%	
370.05 Smart Meters	921,313	131,641	14.29%	158,005	17.15%	(26,364)	-20.03%	
370.10 Load Management Switches	8,899,439	8,785,095	98.72%	8,144,528	91.52%	640,567	7.29%	
371.10 Electric Vehicle Charging Stations	26,200	5,240	20.00%	6,550	25.00%	(1,310)	-25.00%	
371.20 Other Private Lighting	8,533,104	331,558	3.89%	299,679	3.51%	31,879	9.61%	
373.00 Street Lighting and Signal Systems	10,440,649	1,805,779	17.30%	1,801,090	17.25%	4,690	0.26%	
Total Distribution Plant	\$ 573,921,121	\$ 246,119,479	42.88%	\$ 227,145,467	39.58%	\$ 18,974,012	7.71%	
GENERAL PLANT								
Depreciable								
390.00 Structures and Improvements	\$ 21,205,647	\$ 7,421,945	35.00%	\$ 7,863,160	37.08%	\$ (441,215)	-5.94%	
390.10 General Office Buildings	6,660,529	2,575,820	38.67%	1,607,854	24.14%	967,966	37.58%	
390.20 Fleet Service Center Building	733,050	436,238	59.51%	126,569	17.27%	309,669	70.99%	
390.25 Fleet Service Center - Jamestown	2,154,593	72,056	3.34%	42,114	1.95%	29,943	41.55%	
390.30 Central Stores Building	4,276,593	1,553,272	36.32%	574,624	13.44%	978,648	63.01%	
396.00 Power Operated Equipment	1,517,303	262,908	17.33%	295,311	19.46%	(32,403)	-12.32%	
397.40 Communication Towers	1,877,722	1,030,510	54.88%	825,761	43.98%	204,749	19.87%	
Total Depreciable	\$ 38,425,437	\$ 13,352,750	34.75%	\$ 11,335,393	29.50%	\$ 2,017,357	15.11%	
Amortizable								
391.00 Office Furniture	\$ 766,687	\$ 482,016	62.87%	\$ 491,398	64.09%	\$ (9,382)	-1.95%	
391.10 Office Equipment	466,306	259,061	55.56%	272,392	58.41%	(13,331)	-5.15%	
391.20 Duplicating Equipment	201,675	111,671	55.37%	117,345	58.19%	(5,674)	-5.08%	
391.50 Computer Systems	4,953,359	3,013,682	60.84%	3,335,557	67.34%	(321,875)	-10.68%	

OTTER TAIL POWER COMPANY
Depreciation Reserve Summary
Vintage Group Procedure
December 31, 2021

Statement C

Account Description	Plant Investment	Recorded Reserve		Computed Reserve		Reserve Imbalance	
		Amount	Ratio	Amount	Ratio	Amount	Multiple
A	B	C	D=C/B	E	F=E/B	G=C-E	H=G/C
391.60 Computer Related Equipment	2,861,494	1,250,098	43.69%	1,703,209	59.52%	(453,111)	-36.25%
394.00 Tools, Shop and Garage Equipment	4,736,577	2,556,899	53.98%	2,639,104	55.72%	(82,205)	-3.22%
394.20 Automated Meter Reading Equipment	991,428	653,113	65.88%	657,502	66.32%	(4,389)	-0.67%
397.00 Communication Equipment	3,890,006	1,139,996	29.31%	1,283,283	32.99%	(143,287)	-12.57%
397.10 Radio Telecommunication Equipment	243,300	236,149	97.06%	231,135	95.00%	5,014	2.12%
397.20 Microwave Equipment	3,683,307	1,889,100	51.29%	1,969,537	53.47%	(80,437)	-4.26%
397.30 Radio Load Control Equipment	459,343	379,987	82.72%	393,008	85.56%	(13,021)	-3.43%
Total Amortizable	\$ 23,253,482	\$ 11,971,773	51.48%	\$ 13,093,470	56.31%	\$ (1,121,697)	-9.37%
Total General Plant	\$ 61,678,919	\$ 25,324,523	41.06%	\$ 24,428,863	39.61%	\$ 895,660	3.54%
TOTAL UTILITY	\$ 2,617,901,596	\$ 843,105,744	32.21%	\$ 755,794,722	28.87%	\$ 87,311,022	10.36%
STEAM PRODUCTION							
Big Stone							
311.00 Structures and Improvements	\$ 80,346,657	\$ 31,991,602	39.82%	\$ 26,562,563	33.06%	\$ 5,429,039	16.97%
312.00 Boiler Plant Equipment	200,576,526	47,735,763	23.80%	52,620,872	26.23%	(4,885,109)	-10.23%
312.10 Boiler Plant Equipment - Landfill							
314.00 Turbogenerator Units	31,024,229	20,026,168	64.55%	14,730,594	47.48%	5,295,574	26.44%
315.00 Accessory Electric Equipment	21,065,840	9,703,291	46.06%	7,797,098	37.01%	1,906,193	19.64%
316.00 Miscellaneous Power Plant Equipment	3,414,415	1,483,982	43.46%	1,364,397	39.96%	119,586	8.06%
Total Big Stone	\$ 336,427,667	\$ 110,940,806	32.98%	\$ 103,075,523	30.64%	\$ 7,865,283	7.09%
Hoot Lake Units 2 and 3							
311.00 Structures and Improvements	\$ -	\$ -		\$ -		\$ -	
312.00 Boiler Plant Equipment							
312.10 Boiler Plant Equipment - Landfill	10,412,772	3,804,257	36.53%	2,189,723	21.03%	1,614,533	42.44%
314.00 Turbogenerator Units							
315.00 Accessory Electric Equipment							
316.00 Miscellaneous Power Plant Equipment							
Total Hoot Lake Units 2 and 3	\$ 10,412,772	\$ 3,804,257	36.53%	\$ 2,189,723	21.03%	\$ 1,614,533	42.44%
Coyote							
311.00 Structures and Improvements	\$ 34,878,682	\$ 26,879,821	77.07%	\$ 23,409,293	67.12%	\$ 3,470,528	12.91%
312.00 Boiler Plant Equipment	106,611,458	67,384,828	63.21%	60,871,111	57.10%	6,513,716	9.67%
312.10 Boiler Plant Equipment - Landfill							
314.00 Turbogenerator Units	23,958,531	14,383,227	60.03%	13,861,706	57.86%	521,521	3.63%
315.00 Accessory Electric Equipment	12,139,688	9,047,442	74.53%	7,858,702	64.74%	1,188,740	13.14%
316.00 Miscellaneous Power Plant Equipment	2,386,532	1,042,345	43.68%	1,091,281	45.73%	(48,936)	-4.69%
Total Coyote	\$ 179,974,891	\$ 118,737,662	65.97%	\$ 107,092,094	59.50%	\$ 11,645,568	9.81%

OTTER TAIL POWER COMPANY

Depreciation Reserve Summary
Vintage Group Procedure
December 31, 2021

Statement C

Account Description	Plant Investment	Recorded Reserve		Computed Reserve		Reserve Imbalance	
		Amount	Ratio	Amount	Ratio	Amount	Multiple
A	B	C	D=C/B	E	F=E/B	G=C-E	H=G/C
HYDRAULIC PRODUCTION							
<u>Hoot Lake</u>							
331.00 Structures and Improvements	\$ 69,354	\$ 69,225	99.81%	\$ 42,492	61.27%	\$ 26,733	38.62%
332.00 Reservoirs, Dams and Waterways	297,674	292,729	98.34%	157,952	53.06%	134,777	46.04%
333.00 Water Wheels, Turbines & Generators	104,195	103,019	98.87%	49,493	47.50%	53,526	51.96%
334.00 Accessory Electric Equipment	490,174	34,112	6.96%	20,409	4.16%	13,704	40.17%
335.00 Miscellaneous Power Plant Equipment	48,801	44,496	91.18%	8,921	18.28%	35,575	79.95%
Total Hoot Lake	\$ 1,010,198	\$ 543,582	53.81%	\$ 279,267	27.64%	\$ 264,314	48.62%
<u>Wright</u>							
331.00 Structures and Improvements	\$ 19,026	\$ 18,580	97.66%	\$ 9,062	47.63%	\$ 9,518	51.23%
332.00 Reservoirs, Dams and Waterways	892,711	821,810	92.06%	409,439	45.86%	412,371	50.18%
333.00 Water Wheels, Turbines & Generators	545,392	529,326	97.05%	102,259	18.75%	427,067	80.68%
334.00 Accessory Electric Equipment	202,552	193,880	95.72%	64,975	32.08%	128,905	66.49%
335.00 Miscellaneous Power Plant Equipment	115,218	107,866	93.62%	31,416	27.27%	76,450	70.87%
Total Wright	\$ 1,774,899	\$ 1,671,462	94.17%	\$ 617,152	34.77%	\$ 1,054,310	63.08%
<u>Pisgah</u>							
331.00 Structures and Improvements	\$ 12,118	\$ 11,891	98.13%	\$ 6,244	51.53%	\$ 5,647	47.49%
332.00 Reservoirs, Dams and Waterways	3,039,881	420,139	13.82%	209,876	6.90%	210,263	50.05%
333.00 Water Wheels, Turbines & Generators	159,732	151,388	94.78%	29,662	18.57%	121,726	80.41%
334.00 Accessory Electric Equipment	102,487	97,449	95.08%	29,497	28.78%	67,952	69.73%
335.00 Miscellaneous Power Plant Equipment	62,744	56,931	90.74%	11,162	17.79%	45,769	80.39%
Total Pisgah	\$ 3,376,962	\$ 737,799	21.85%	\$ 286,442	8.48%	\$ 451,357	61.18%
<u>Dayton Hollow</u>							
331.00 Structures and Improvements	\$ 16,269	\$ 14,936	91.81%	\$ 3,249	19.97%	\$ 11,687	78.25%
332.00 Reservoirs, Dams and Waterways	2,028,900	1,201,180	59.20%	247,819	12.21%	953,361	79.37%
333.00 Water Wheels, Turbines & Generators	226,751	215,081	94.85%	46,167	20.36%	168,914	78.53%
334.00 Accessory Electric Equipment	193,342	186,423	96.42%	69,261	35.82%	117,162	62.85%
335.00 Miscellaneous Power Plant Equipment	111,159	101,666	91.46%	20,255	18.22%	81,412	80.08%
Total Dayton Hollow	\$ 2,576,421	\$ 1,719,287	66.73%	\$ 386,751	15.01%	\$ 1,332,536	77.51%
<u>Taplin Gorge</u>							
331.00 Structures and Improvements	\$ 35,140	\$ 34,890	99.29%	\$ 22,876	65.10%	\$ 12,013	34.43%
332.00 Reservoirs, Dams and Waterways	602,762	573,388	95.13%	214,581	35.60%	358,808	62.58%
333.00 Water Wheels, Turbines & Generators	15,110	15,016	99.38%	10,063	66.60%	4,953	32.99%
334.00 Accessory Electric Equipment	58,695	56,857	96.87%	22,877	38.98%	33,980	59.76%
335.00 Miscellaneous Power Plant Equipment	96,303	89,926	93.38%	25,789	26.78%	64,137	71.32%
Total Taplin Gorge	\$ 808,010	\$ 770,077	95.31%	\$ 296,186	36.66%	\$ 473,891	61.54%

OTTER TAIL POWER COMPANY
Depreciation Reserve Summary
Vintage Group Procedure
December 31, 2021

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								
Jamestown								
341.00 Structures and Improvements	\$ 311,512	\$ 256,020	82.19%	\$ 222,844	71.54%	\$ 33,176	12.96%	
342.00 Fuel Holders and Accessories	415,964	303,512	72.97%	260,332	62.59%	43,180	14.23%	
343.00 Prime Movers	6,952,527	6,011,909	86.47%	5,290,154	76.09%	721,755	12.01%	
344.00 Generators								
345.00 Accessory Electric Equipment	227,590	174,044	76.47%	170,657	74.98%	3,387	1.95%	
346.00 Miscellaneous Power Plant Equipment	88,665	57,996	65.41%	50,706	57.19%	7,290	12.57%	
Total Jamestown	\$ 7,996,258	\$ 6,803,480	85.08%	\$ 5,994,692	74.97%	\$ 808,788	11.89%	
Jamestown Unit 1								
341.00 Structures and Improvements	\$ 286,659	\$ 238,410	83.17%	\$ 207,312	72.32%	\$ 31,098	13.04%	
342.00 Fuel Holders and Accessories	379,195	270,325	71.29%	235,655	62.15%	34,671	12.83%	
343.00 Prime Movers	3,030,866	2,529,236	83.45%	2,229,095	73.55%	300,141	11.87%	
344.00 Generators								
345.00 Accessory Electric Equipment	155,272	132,927	85.61%	131,378	84.61%	1,550	1.17%	
346.00 Miscellaneous Power Plant Equipment	85,462	54,536	63.81%	47,994	56.16%	6,542	12.00%	
Total Jamestown Unit 1	\$ 3,937,454	\$ 3,225,435	81.92%	\$ 2,851,434	72.42%	\$ 374,001	11.60%	
Jamestown Unit 2								
341.00 Structures and Improvements	\$ 24,853	\$ 17,610	70.86%	\$ 15,532	62.49%	\$ 2,079	11.80%	
342.00 Fuel Holders and Accessories	36,769	33,186	90.26%	24,677	67.11%	8,509	25.64%	
343.00 Prime Movers	3,921,661	3,482,672	88.81%	3,061,059	78.06%	421,614	12.11%	
344.00 Generators								
345.00 Accessory Electric Equipment	72,318	41,116	56.85%	39,279	54.31%	1,837	4.47%	
346.00 Miscellaneous Power Plant Equipment	3,203	3,460	108.01%	2,711	84.65%	748	21.63%	
Total Jamestown Unit 2	\$ 4,058,804	\$ 3,578,045	88.16%	\$ 3,143,258	77.44%	\$ 434,787	12.15%	
Lake Preston								
341.00 Structures and Improvements	\$ 233,982	\$ 207,104	88.51%	\$ 183,079	78.24%	\$ 24,025	11.60%	
342.00 Fuel Holders and Accessories	328,705	286,197	87.07%	251,974	76.66%	34,223	11.96%	
343.00 Prime Movers	3,282,642	2,923,645	89.06%	2,591,976	78.96%	331,669	11.34%	
344.00 Generators								
345.00 Accessory Electric Equipment	400,094	353,265	88.30%	313,240	78.29%	40,025	11.33%	
346.00 Miscellaneous Power Plant Equipment	21,607	20,688	95.74%	18,299	84.69%	2,388	11.54%	
Total Lake Preston	\$ 4,267,030	\$ 3,790,898	88.84%	\$ 3,358,568	78.71%	\$ 432,330	11.40%	

OTTER TAIL POWER COMPANY

Depreciation Reserve Summary
Vintage Group Procedure
December 31, 2021

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	
<u>Solway Combustion Turbine</u>								
341.00 Structures and Improvements	\$ 4,816,246	\$ 2,374,437	49.30%	\$ 2,362,015	49.04%	\$ 12,421	0.52%	
342.00 Fuel Holders and Accessories	1,066,896	508,018	47.62%	523,067	49.03%	(15,050)	-2.96%	
343.00 Prime Movers	20,691,282	7,937,507	38.36%	9,728,059	47.02%	(1,790,552)	-22.56%	
344.00 Generators								
345.00 Accessory Electric Equipment	1,310,193	654,800	49.98%	667,877	50.98%	(13,077)	-2.00%	
346.00 Miscellaneous Power Plant Equipment	318,649	145,416	45.64%	148,231	46.52%	(2,815)	-1.94%	
Total Solway Combustion Turbine	\$ 28,203,266	\$ 11,620,177	41.20%	\$ 13,429,249	47.62%	\$ (1,809,073)	-15.57%	
<u>Astoria Station Combustion Turbine</u>								
341.00 Structures and Improvements	\$ 23,561,979	\$ 558,162	2.37%	\$ 329,333	1.40%	\$ 228,829	41.00%	
342.00 Fuel Holders and Accessories	5,543,995	131,332	2.37%	77,490	1.40%	53,842	41.00%	
343.00 Prime Movers	101,177,910	2,396,814	2.37%	1,414,193	1.40%	982,621	41.00%	
344.00 Generators								
345.00 Accessory Electric Equipment	6,929,994	164,165	2.37%	96,863	1.40%	67,303	41.00%	
346.00 Miscellaneous Power Plant Equipment	1,385,999	32,833	2.37%	19,373	1.40%	13,461	41.00%	
Total Astoria Station Combustion Turbine	\$ 138,599,877	\$ 3,283,307	2.37%	\$ 1,937,251	1.40%	\$ 1,346,056	41.00%	
<u>Fergus Falls Control Center</u>								
341.00 Structures and Improvements	\$ -	\$ -		\$ -		\$ -		
342.00 Fuel Holders and Accessories								
343.00 Prime Movers	591,638	445,096	75.23%	470,753	79.57%	(25,657)	-5.76%	
344.00 Generators								
345.00 Accessory Electric Equipment								
346.00 Miscellaneous Power Plant Equipment								
Total Fergus Falls Control Center	\$ 591,638	\$ 445,096	75.23%	\$ 470,753	79.57%	\$ (25,657)	-5.76%	
WIND PRODUCTION								
<u>Ashtabula</u>								
341.00 Structures and Improvements	\$ 3,248,290	\$ 1,657,901	51.04%	\$ 1,285,590	39.58%	\$ 372,311	22.46%	
344.00 Generators	107,489,257	52,840,539	49.16%	41,647,819	38.75%	11,192,720	21.18%	
345.00 Accessory Electric Equipment	6,479,774	3,257,310	50.27%	2,524,386	38.96%	732,924	22.50%	
346.00 Miscellaneous Power Plant Equipment	122,301	(1,681)	-1.37%	11,425	9.34%	(13,106)	779.80%	
Total Ashtabula	\$ 117,339,622	\$ 57,754,069	49.22%	\$ 45,469,221	38.75%	\$ 12,284,849	21.27%	
<u>Langdon</u>								
341.00 Structures and Improvements	\$ 2,484,069	\$ 1,362,820	54.86%	\$ 1,063,792	42.82%	\$ 299,028	21.94%	
344.00 Generators	70,109,887	36,391,013	51.91%	29,063,493	41.45%	7,327,520	20.14%	
345.00 Accessory Electric Equipment	7,407,275	3,997,831	53.97%	3,109,960	41.99%	887,871	22.21%	
346.00 Miscellaneous Power Plant Equipment	153,450	10,358	6.75%	22,620	14.74%	(12,261)	-118.37%	
Total Langdon	\$ 80,154,681	\$ 41,762,023	52.10%	\$ 33,259,866	41.49%	\$ 8,502,157	20.36%	

OTTER TAIL POWER COMPANY
Depreciation Reserve Summary
Vintage Group Procedure
December 31, 2021

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	
<u>Luverne</u>								
341.00 Structures and Improvements	\$ 2,266,581	\$ 1,093,486	48.24%	\$ 850,924	37.54%	\$ 242,562	22.18%	
344.00 Generators	68,571,113	30,249,701	44.11%	24,175,241	35.26%	6,074,460	20.08%	
345.00 Accessory Electric Equipment	4,863,837	2,345,196	48.22%	1,825,991	37.54%	519,206	22.14%	
346.00 Miscellaneous Power Plant Equipment	176,670	12,808	7.25%	23,966	13.57%	(11,158)	-87.12%	
Total Luverne	\$ 75,878,201	\$ 33,701,191	44.41%	\$ 26,876,122	35.42%	\$ 6,825,069	20.25%	
<u>Merricourt</u>								
341.00 Structures and Improvements	\$ 7,816,232	\$ 242,821	3.11%	\$ 338,384	4.33%	\$ (95,563)	-39.36%	
344.00 Generators	234,486,959	7,284,630	3.11%	10,151,527	4.33%	(2,866,896)	-39.36%	
345.00 Accessory Electric Equipment	18,237,875	566,582	3.11%	789,563	4.33%	(222,981)	-39.36%	
346.00 Miscellaneous Power Plant Equipment								
Total Merricourt	\$ 260,541,066	\$ 8,094,034	3.11%	\$ 11,279,474	4.33%	\$ (3,185,440)	-39.36%	
SOLAR PRODUCTION								
<u>Jamestown</u>								
343.00 Prime Movers	161,194	\$ 10,665	6.62%	\$ 15,924	9.88%	\$ (5,260)	-49.32%	
Total Jamestown	\$ 161,194	\$ 10,665	6.62%	\$ 15,924	9.88%	\$ (5,260)	-49.32%	
<u>Rush Lake</u>								
343.00 Prime Movers	156,123	\$ 6,841	4.38%	\$ 9,180	5.88%	\$ (2,338)	-34.18%	
Total Rush Lake	\$ 156,123	\$ 6,841	4.38%	\$ 9,180	5.88%	\$ (2,338)	-34.18%	

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	\$ 13,257,502	\$ 8,596,707	\$ 4,660,795			\$ -	\$ -	\$ -	
303.92 Software - 10 Year	25,647,055		25,647,055						
Total Intangible Plant	\$ 38,904,557	\$ 8,596,707	\$ 30,307,850			\$ -	\$ -	\$ -	
STEAM PRODUCTION									
311.00 Structures and Improvements	\$ 117,378,799	\$ 2,153,460	\$ 115,225,339	0.8%	-6.6%	\$ 16,937	\$ (7,578,108)	\$ (7,561,170)	-6.4%
312.00 Boiler Plant Equipment	376,556,760	69,368,776	307,187,984	-16.2%	-6.7%	(11,226,421)	(20,610,688)	(31,837,108)	-8.5%
312.10 Boiler Plant Equipment - Landfill	10,440,272	27,500	10,412,772						
314.00 Turbogenerator Units	71,308,718	16,325,958	54,982,760	18.8%	-7.0%	3,072,336	(3,839,440)	(767,104)	-1.1%
315.00 Accessory Electric Equipment	35,149,409	1,943,881	33,205,528	-5.0%	-6.8%	(96,690)	(2,247,726)	(2,344,416)	-6.7%
316.00 Miscellaneous Power Plant Equipment	8,955,722	3,154,775	5,800,947	6.0%	-6.9%	190,321	(401,982)	(211,661)	-2.4%
Total Steam Production Plant	\$ 619,789,680	\$ 92,974,350	\$ 526,815,330	-8.7%	-6.6%	\$ (8,043,517)	\$ (34,677,943)	\$ (42,721,460)	-6.9%
HYDRAULIC PRODUCTION									
331.00 Structures and Improvements	\$ 151,907	\$ -	\$ 151,907			\$ -	\$ -	\$ -	
332.00 Reservoirs, Dams and Waterways	6,940,871	78,943	6,861,928	98.0%		77,356		77,356	1.1%
333.00 Water Wheels, Turbines & Generators	1,072,221	21,041	1,051,180	-326.3%		(68,653)		(68,653)	-6.4%
334.00 Accessory Electric Equipment	1,065,013	17,763	1,047,250	24.2%		4,299		4,299	0.4%
335.00 Miscellaneous Power Plant Equipment	510,360	76,135	434,225	0.8%		593		593	0.1%
Total Hydraulic Production Plant	\$ 9,740,372	\$ 193,882	\$ 9,546,490	7.0%		\$ 13,596	\$ -	\$ 13,596	0.1%
OTHER PRODUCTION									
341.00 Structures and Improvements	\$ 28,952,626	\$ 28,907	\$ 28,923,719	-4.5%	-1.8%	\$ (1,302)	\$ (511,427)	\$ (512,730)	-1.8%
342.00 Fuel Holders and Accessories	7,611,229	255,669	7,355,560	-9.7%	-2.1%	(24,683)	(157,589)	(182,272)	-2.4%
343.00 Prime Movers	137,416,815	4,720,816	132,695,999	-5.1%	-2.0%	(241,182)	(2,701,633)	(2,942,815)	-2.1%
344.00 Generators									
345.00 Accessory Electric Equipment	8,970,893	103,022	8,867,871	7.4%	-2.0%	7,612	(179,257)	(171,645)	-1.9%
346.00 Miscellaneous Power Plant Equipment	1,877,049	62,129	1,814,920	22.2%	-1.9%	13,800	(35,175)	(21,375)	-1.1%
Total Other Production Plant	\$ 184,828,612	\$ 5,170,543	\$ 179,658,069	-4.8%	-2.0%	\$ (245,755)	\$ (3,585,081)	\$ (3,830,837)	-2.1%
WIND PRODUCTION									
341.00 Structures and Improvements	\$ 15,815,172	\$ -	\$ 15,815,172		-5.1%	\$ -	\$ (808,013)	\$ (808,013)	-5.1%
344.00 Generators	486,292,258	5,635,042	480,657,216	-9.0%	-5.1%	(508,091)	(24,488,268)	(24,996,359)	-5.1%
345.00 Accessory Electric Equipment	36,990,741	1,980	36,988,761		-5.1%		(1,888,221)	(1,888,221)	-5.1%
346.00 Miscellaneous Power Plant Equipment	515,699	63,278	452,421		-5.5%		(25,026)	(25,026)	-4.9%
Total Wind Production Plant	\$ 539,613,870	\$ 5,700,300	\$ 533,913,570	-8.9%	-5.1%	\$ (508,091)	\$ (27,209,528)	\$ (27,717,619)	-5.1%
SOLAR PRODUCTION									
343.00 Prime Movers	\$ 317,317	\$ -	\$ 317,317		-1.0%	\$ -	\$ (3,173)	\$ (3,173)	-1.0%
Total Solar Production Plant	\$ 317,317	\$ -	\$ 317,317		-1.0%	\$ -	\$ (3,173)	\$ (3,173)	-1.0%
TRANSMISSION PLANT									
353.00 Station Equipment	\$ 180,700,684	\$ 11,693,813	\$ 169,006,871	46.3%	-5.0%	\$ 5,414,235	\$ (8,450,344)	\$ (3,036,108)	-1.7%
354.00 Towers and Fixtures	191,329,578	284,774	191,044,804	-10.4%	-10.0%	(29,616)	(19,104,480)	(19,134,097)	-10.0%
355.00 Poles and Fixtures	170,161,761	6,882,941	163,278,820	34.0%	-50.0%	2,340,200	(81,639,410)	(79,299,210)	-46.6%
356.00 Overhead Conductors and Devices	186,351,399	8,038,430	178,312,969	26.4%	-30.0%	2,122,146	(53,493,891)	(51,371,745)	-27.6%
358.00 Underground Conductors and Devices	99,962	496	99,466	-368.9%	-5.0%	(1,830)	(4,973)	(6,803)	-6.8%
Total Transmission Plant	\$ 728,643,384	\$ 26,900,454	\$ 701,742,930	36.6%	-23.2%	\$ 9,845,135	\$ (162,693,098)	\$ (152,847,963)	-21.0%
DISTRIBUTION PLANT									

OTTER TAIL POWER COMPANY
Average Net Salvage

Statement D

Account Description A	Plant Investment			Salvage Rate		Net Salvage			Average Rate J/I/I
	Additions B	Retirements C	Survivors D=B-C	Realized E	Future F	Realized G=E+C	Future H=F+D	Total I=G+H	
362.00 Station Equipment	\$ 117,098,915	\$ 23,109,019	\$ 93,989,896	13.0%	5.0%	\$ 3,004,172	\$ 4,699,495	\$ 7,703,667	6.6%
364.00 Poles, Towers and Fixtures	85,789,420	3,878,675	81,910,745	-118.0%	-100.0%	(4,576,837)	(81,910,745)	(86,487,582)	-100.8%
365.00 Overhead Conductors and Devices	83,496,100	4,812,981	58,583,119	-71.7%	-75.0%	(3,522,607)	(43,937,339)	(47,459,947)	-74.7%
367.00 Underground Conductors and Devices	107,237,507	6,222,329	101,015,178	-0.1%	-5.0%	(6,222)	(5,050,759)	(5,056,981)	-4.7%
368.00 Line Transformers	138,147,000	16,115,190	120,031,810	41.1%	30.0%	6,623,343	36,009,543	42,632,886	31.3%
369.00 Overhead Services	14,678,606	824,841	13,853,765	-288.4%	-200.0%	(2,378,841)	(27,707,530)	(30,086,371)	-205.0%
369.10 Underground Services	48,679,761	749,349	47,930,412	-48.7%	-20.0%	(364,933)	(9,586,082)	(9,951,015)	-20.4%
370.00 Meters	37,059,875	9,274,384	27,785,491	0.6%		55,646		55,646	0.2%
370.05 Smart Meters	921,313		921,313						
370.10 Load Management Switches	11,115,823	2,216,364	8,899,439						
371.10 Electric Vehicle Charging Stations	735,100	708,900	26,200						
371.20 Other Private Lighting	13,388,600	4,855,496	8,533,104	1.6%		77,888		77,888	0.6%
373.00 Street Lighting and Signal Systems	16,411,534	5,970,885	10,440,649	-5.4%	-5.0%	(322,426)	(522,032)	(844,460)	-5.1%
Total Distribution Plant	\$ 652,759,554	\$ 78,838,433	\$ 573,921,121	-1.8%	-22.3%	\$ (1,411,019)	\$ (128,005,450)	\$ (129,416,469)	-19.8%
GENERAL PLANT									
Depreciable									
390.00 Structures and Improvements	\$ 25,676,039	\$ 4,470,392	\$ 21,205,647	26.6%	5.0%	\$ 1,189,124	\$ 1,060,282	\$ 2,249,407	8.8%
390.10 General Office Buildings	7,988,721	1,328,192	6,660,529	-14.8%	43.1%	(196,572)	2,870,888	2,674,116	33.5%
390.20 Fleet Service Center Building	834,829	101,779	733,050	-45.1%	55.6%	(45,902)	407,576	361,673	43.3%
390.25 Fleet Service Center - Jamestown	2,154,593		2,154,593		50.0%		1,077,297	1,077,297	50.0%
390.30 Central Stores Building	4,373,149	96,556	4,276,593	-7.2%	75.8%	(8,952)	3,241,657	3,234,705	74.0%
396.00 Power Operated Equipment	2,304,113	786,810	1,517,303	19.6%	5.0%	154,215	75,885	230,080	10.0%
397.40 Communication Towers	2,040,260	162,538	1,877,722	12.0%	-5.0%	19,505	(93,886)	(74,382)	-3.6%
Total Depreciable	\$ 45,371,704	\$ 6,946,267	\$ 38,425,437	16.0%	22.5%	\$ 1,113,417	\$ 8,639,479	\$ 9,752,896	21.5%
Amortizable									
391.00 Office Furniture	\$ 6,263,960	\$ 5,497,273	\$ 766,687						
391.10 Office Equipment	3,242,379	2,776,073	466,306						
391.20 Duplicating Equipment	2,301,117	2,099,442	201,675						
391.50 Computer Systems	18,375,158	13,421,799	4,953,359						
391.60 Computer Related Equipment	13,759,648	10,898,152	2,861,494						
394.00 Tools, Shop and Garage Equipment	8,807,792	4,071,215	4,736,577						
394.20 Automated Meter Reading Equipment	2,471,282	1,479,854	991,428						
397.00 Communication Equipment	5,256,318	1,366,312	3,890,006						
397.10 Radio Telecommunication Equipment	6,541,973	6,298,673	243,300						
397.20 Microwave Equipment	8,498,122	4,812,815	3,683,307						
397.30 Radio Load Control Equipment	1,912,977	1,453,634	459,343						
Total Amortizable	\$ 77,428,724	\$ 54,175,242	\$ 23,253,482			\$ -	\$ -	\$ -	
Total General Plant	\$ 122,800,428	\$ 61,121,509	\$ 61,678,919	1.8%	14.0%	\$ 1,113,417	\$ 8,639,479	\$ 9,752,896	7.9%
TOTAL UTILITY	\$ 2,897,397,774	\$ 279,496,178	\$ 2,617,901,596	0.3%	-13.3%	\$ 763,765	\$ (347,534,795)	\$ (346,771,030)	-12.0%
STEAM PRODUCTION									
Big Stone									
311.00 Structures and Improvements	\$ 81,555,423	\$ 1,208,766	\$ 80,346,657	-10.4%	-5.7%	\$ (125,712)	\$ (4,546,538)	\$ (4,672,250)	-5.7%
312.00 Boiler Plant Equipment	252,173,908	51,597,382	200,576,526	-21.0%	-5.7%	(10,835,450)	(11,345,627)	(22,181,077)	-8.8%
312.10 Boiler Plant Equipment - Landfill									

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	
314.00 Turbogenerator Units	37,949,226	6,924,997	31,024,229	14.5%	-5.7%	1,004,125	(1,757,483)	(753,358)	-2.0%
315.00 Accessory Electric Equipment	22,030,212	964,372	21,065,840	-14.8%	-5.7%	(142,727)	(1,192,626)	(1,335,353)	-6.1%
316.00 Miscellaneous Power Plant Equipment	5,094,609	1,680,194	3,414,415	2.2%	-5.7%	36,964	(194,622)	(157,657)	-3.1%
Total Big Stone	\$ 398,803,378	\$ 62,375,711	\$ 336,427,667	-16.1%	-5.7%	\$ (10,062,800)	\$ (19,035,634)	\$ (29,099,695)	-7.3%
Hoot Lake Units 2 and 3									
311.00 Structures and Improvements	\$ -	\$ -	\$ -			\$ -	\$ -	\$ -	-
312.00 Boiler Plant Equipment									
312.10 Boiler Plant Equipment - Landfill	10,440,272	27,500	10,412,772						
314.00 Turbogenerator Units									
315.00 Accessory Electric Equipment									
316.00 Miscellaneous Power Plant Equipment									
Total Hoot Lake Units 2 and 3	\$ 10,440,272	\$ 27,500	\$ 10,412,772			\$ -	\$ -	\$ -	-
Coyote									
311.00 Structures and Improvements	\$ 35,823,376	\$ 944,694	\$ 34,878,682	15.1%	-8.7%	\$ 142,649	\$ (3,031,570)	\$ (2,888,921)	-8.1%
312.00 Boiler Plant Equipment	124,382,852	17,771,394	106,611,458	-2.2%	-8.7%	(390,971)	(9,265,061)	(9,656,032)	-7.8%
312.10 Boiler Plant Equipment - Landfill									
314.00 Turbogenerator Units	33,359,492	9,400,961	23,958,531	22.0%	-8.7%	2,068,211	(2,081,957)	(13,746)	
315.00 Accessory Electric Equipment	13,119,197	979,509	12,139,688	4.7%	-8.7%	46,037	(1,055,100)	(1,009,063)	-7.7%
316.00 Miscellaneous Power Plant Equipment	3,861,113	1,474,581	2,386,532	10.4%	-8.7%	153,356	(207,360)	(54,004)	-1.4%
Total Coyote	\$ 210,546,030	\$ 30,571,139	\$ 179,974,891	6.6%	-8.7%	\$ 2,019,283	\$ (15,641,049)	\$ (13,621,766)	-6.5%
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	490,174		490,174						
335.00 Miscellaneous Power Plant Equipment	48,801		48,801						
Total Hoot Lake	\$ 1,018,282	\$ 8,084	\$ 1,010,198	-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%
Pisgah									
331.00 Structures and Improvements	\$ 12,118	\$ -	\$ 12,118			\$ -	\$ -	\$ -	-
332.00 Reservoirs, Dams and Waterways	3,039,881		3,039,881						
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	\$ 3,412,410	\$ 35,448	\$ 3,376,962	-70.5%		\$ (24,987)	\$ -	\$ (24,987)	-0.7%
Dayton Hollow									
331.00 Structures and Improvements	\$ 16,269	\$ -	\$ 16,269			\$ -	\$ -	\$ -	-

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
332.00 Reservoirs, Dams and Waterways	2,073,165	44,265	2,028,900	-309.1%		(136,823)		(136,823)	-6.6%
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	\$ 2,641,821	\$ 65,400	\$ 2,576,421	-246.7%		\$ (161,312)	\$ -	\$ (161,312)	-6.1%
Taplin Gorge									
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%
OTHER PRODUCTION									
Jamestown									
341.00 Structures and Improvements	\$ 317,686	\$ 6,174	\$ 311,512	-15.2%	-5.7%	\$ (938)	\$ (17,711)	\$ (18,649)	-5.9%
342.00 Fuel Holders and Accessories	593,813	177,849	415,964	-12.6%	-5.7%	(22,488)	(23,649)	(46,137)	-7.8%
343.00 Prime Movers	7,502,045	549,518	6,952,527	-23.6%	-5.7%	(129,431)	(395,280)	(524,711)	-7.0%
344.00 Generators									
345.00 Accessory Electric Equipment	263,937	36,347	227,590	22.6%	-5.7%	8,205	(12,939)	(4,734)	-1.8%
346.00 Miscellaneous Power Plant Equipment	139,078	50,413	88,665	22.2%	-5.7%	11,201	(5,041)	6,160	4.4%
Total Jamestown	\$ 8,816,559	\$ 820,301	\$ 7,996,258	-16.3%	-5.7%	\$ (133,451)	\$ (454,620)	\$ (588,071)	-6.7%
Jamestown Unit 1									
341.00 Structures and Improvements	\$ 292,833	\$ 6,174	\$ 286,659	-15.2%	-5.8%	\$ (938)	\$ (16,733)	\$ (17,671)	-6.0%
342.00 Fuel Holders and Accessories	407,203	28,008	379,195	-51.4%	-5.8%	(14,396)	(22,136)	(36,532)	-9.0%
343.00 Prime Movers	3,322,728	291,862	3,030,866	-33.4%	-5.8%	(97,482)	(176,907)	(274,389)	-8.3%
344.00 Generators									
345.00 Accessory Electric Equipment	157,825	2,553	155,272	19.6%	-5.8%	500	(9,062)	(8,561)	-5.4%
346.00 Miscellaneous Power Plant Equipment	112,036	26,574	85,462	26.9%	-5.8%	7,148	(4,990)	2,159	1.9%
Total Jamestown Unit 1	\$ 4,292,625	\$ 355,171	\$ 3,937,454	-29.6%	-5.8%	\$ (105,168)	\$ (229,827)	\$ (334,995)	-7.8%
Jamestown Unit 2									
341.00 Structures and Improvements	\$ 24,853	\$ -	\$ 24,853		-5.8%	\$ -	\$ (1,451)	\$ (1,451)	-5.8%
342.00 Fuel Holders and Accessories	186,610	149,841	36,769	-5.4%	-5.8%	(8,091)	(2,146)	(10,237)	-5.5%
343.00 Prime Movers	4,179,317	257,656	3,921,661	-12.4%	-5.8%	(31,949)	(228,894)	(260,843)	-6.2%
344.00 Generators									
345.00 Accessory Electric Equipment	106,112	33,794	72,318	22.8%	-5.8%	7,705	(4,222)	3,483	3.3%
346.00 Miscellaneous Power Plant Equipment	27,042	23,839	3,203	17.0%	-5.8%	4,053	(187)	3,866	14.3%
Total Jamestown Unit 2	\$ 4,523,934	\$ 465,130	\$ 4,058,804	-6.1%	-5.8%	\$ (28,283)	\$ (236,900)	\$ (265,183)	-5.9%
Lake Preston									
341.00 Structures and Improvements	\$ 233,982	\$ -	\$ 233,982		-6.9%	\$ -	\$ (16,084)	\$ (16,084)	-6.9%
342.00 Fuel Holders and Accessories	373,513	44,808	328,705	-4.9%	-6.9%	(2,196)	(22,596)	(24,792)	-6.6%
343.00 Prime Movers	3,514,567	231,925	3,282,642	-4.6%	-6.9%	(10,669)	(225,642)	(236,311)	-6.7%
344.00 Generators									
345.00 Accessory Electric Equipment	418,651	18,557	400,094	-3.2%	-6.9%	(594)	(27,502)	(28,096)	-6.7%
346.00 Miscellaneous Power Plant Equipment	25,227	3,620	21,607	71.8%	-6.9%	2,599	(1,485)	1,114	4.4%

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	
Total Lake Preston	\$ 4,565,940	\$ 298,910	\$ 4,267,030	-3.6%	-6.9%	\$ (10,859)	\$ (293,309)	\$ (304,168)	-6.7%
Solway Combustion Turbine									
341.00 Structures and Improvements	\$ 4,838,979	\$ 22,733	\$ 4,816,246	-1.6%	-1.6%	\$ (364)	\$ (75,575)	\$ (75,939)	-1.6%
342.00 Fuel Holders and Accessories	1,099,908	33,012	1,066,896		-1.6%		(16,742)	(16,742)	-1.5%
343.00 Prime Movers	24,571,319	3,880,037	20,691,282	-2.7%	-1.6%	(104,761)	(324,645)	(429,406)	-1.7%
344.00 Generators									
345.00 Accessory Electric Equipment	1,358,311	48,118	1,310,193		-1.6%		(20,563)	(20,563)	-1.5%
346.00 Miscellaneous Power Plant Equipment	326,745	8,096	318,649		-1.6%		(4,998)	(4,998)	-1.5%
Total Solway Combustion Turbine	\$ 32,195,262	\$ 3,991,996	\$ 28,203,266	-2.6%	-1.6%	\$ (105,125)	\$ (442,524)	\$ (547,649)	-1.7%
Astoria Station Combustion Turbine									
341.00 Structures and Improvements	\$ 23,561,979	\$ -	\$ 23,561,979		-1.7%	\$ -	\$ (402,058)	\$ (402,058)	-1.7%
342.00 Fuel Holders and Accessories	5,543,995		5,543,995		-1.7%		(94,602)	(94,602)	-1.7%
343.00 Prime Movers	101,177,910		101,177,910		-1.7%		(1,726,483)	(1,726,483)	-1.7%
344.00 Generators									
345.00 Accessory Electric Equipment	6,929,994		6,929,994		-1.7%		(118,252)	(118,252)	-1.7%
346.00 Miscellaneous Power Plant Equipment	1,385,999		1,385,999		-1.7%		(23,650)	(23,650)	-1.7%
Total Astoria Station Combustion Turbine	\$ 138,599,877	\$ -	\$ 138,599,877		-1.7%	\$ -	\$ (2,365,046)	\$ (2,365,046)	-1.7%
Fergus Falls Control Center									
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%
WIND PRODUCTION									
Ashtabula									
341.00 Structures and Improvements	\$ 3,248,290	\$ -	\$ 3,248,290		-4.2%	\$ -	\$ (137,161)	\$ (137,161)	-4.2%
344.00 Generators	109,731,807	2,242,550	107,489,257		-4.2%		(4,538,773)	(4,538,773)	-4.1%
345.00 Accessory Electric Equipment	6,481,754	1,980	6,479,774		-4.2%		(273,611)	(273,611)	-4.2%
346.00 Miscellaneous Power Plant Equipment	140,835	18,534	122,301		-4.2%		(5,163)	(5,163)	-3.7%
Total Ashtabula	\$ 119,602,686	\$ 2,263,064	\$ 117,339,622		-4.2%	\$ -	\$ (4,954,707)	\$ (4,954,707)	-4.1%
Langdon									
341.00 Structures and Improvements	\$ 2,484,069	\$ -	\$ 2,484,069		-4.9%	\$ -	\$ (121,745)	\$ (121,745)	-4.9%
344.00 Generators	72,141,960	2,032,073	70,109,887	-0.3%	-4.9%	(6,096)	(3,436,101)	(3,442,197)	-4.8%
345.00 Accessory Electric Equipment	7,407,275		7,407,275		-4.9%		(363,032)	(363,032)	-4.9%
346.00 Miscellaneous Power Plant Equipment	177,627	24,177	153,450		-4.9%		(7,520)	(7,520)	-4.2%
Total Langdon	\$ 82,210,931	\$ 2,056,250	\$ 80,154,681	-0.3%	-4.9%	\$ (6,096)	\$ (3,928,399)	\$ (3,934,495)	-4.8%
Luverne									
341.00 Structures and Improvements	\$ 2,266,581	\$ -	\$ 2,266,581		-7.0%	\$ -	\$ (158,295)	\$ (158,295)	-7.0%
344.00 Generators	69,931,532	1,360,419	68,571,113	-36.9%	-7.0%	(501,995)	(4,789,046)	(5,291,041)	-7.6%
345.00 Accessory Electric Equipment	4,863,837		4,863,837		-7.0%		(339,684)	(339,684)	-7.0%
346.00 Miscellaneous Power Plant Equipment	197,237	20,567	176,670		-7.0%		(12,343)	(12,343)	-6.3%
Total Luverne	\$ 77,259,187	\$ 1,380,986	\$ 75,878,201	-36.4%	-7.0%	\$ (501,995)	\$ (5,299,369)	\$ (5,801,364)	-7.5%

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	
Merricourt									
341.00 Structures and Improvements	\$ 7,816,232	\$ -	\$ 7,816,232		-5.0%	\$ -	\$ (390,812)	\$ (390,812)	-5.0%
344.00 Generators	234,486,959		234,486,959		-5.0%		(11,724,348)	(11,724,348)	-5.0%
345.00 Accessory Electric Equipment	18,237,875		18,237,875		-5.0%		(911,894)	(911,894)	-5.0%
346.00 Miscellaneous Power Plant Equipment									
Total Merricourt	\$ 260,541,066	\$ -	\$ 260,541,066		-5.0%	\$ -	\$ (13,027,053)	\$ (13,027,053)	-5.0%
SOLAR PRODUCTION									
Jamestown									
343.00 Prime Movers	161,194		161,194		-1.0%		(1,612)	(1,612)	-1.0%
Total Jamestown	\$ 161,194	\$ -	\$ 161,194		-1.0%	\$ -	\$ (1,612)	\$ (1,612)	-1.0%
Rush Lake									
343.00 Prime Movers	156,123		156,123		-1.0%		(1,561)	(1,561)	-1.0%
Total Rush Lake	\$ 156,123	\$ -	\$ 156,123		-1.0%	\$ -	\$ (1,561)	\$ (1,561)	-1.0%

OTTER TAIL POWER COMPANY
Future Net Salvage
Steam and Other Production

Statement E

Account Description A	12/31/21 Plant		Future Retirements		Net Salvage Rate		Future Net Salvage			Future Rate J=I/B
	Investment B		Interim C	Final D=B-C	Interim E	Final F	Interim G=C*E	Final H=D*F	Total I=G+H	
STEAM PRODUCTION										
Big Stone										
311.00 Structures and Improvements	\$ 80,346,657		\$ 5,030,134	\$ 75,316,523	-10.0%	-5.4%	\$ (503,013)	\$ (4,043,525)	\$ (4,546,538)	-5.7%
312.00 Boiler Plant Equipment	200,576,526		12,464,296	188,112,230	-10.0%	-5.4%	(1,246,430)	(10,099,197)	(11,345,627)	-5.7%
312.10 Boiler Plant Equipment - Landfill										
314.00 Turbogenerator Units	31,024,229		1,983,943	29,040,286	-10.0%	-5.4%	(198,394)	(1,559,088)	(1,757,483)	-5.7%
315.00 Accessory Electric Equipment	21,065,840		1,331,425	19,734,415	-10.0%	-5.4%	(133,142)	(1,059,483)	(1,192,626)	-5.7%
316.00 Miscellaneous Power Plant Equipment	3,414,415		217,019	3,197,396	-10.0%	-5.4%	(21,702)	(171,659)	(193,361)	-5.7%
Total Big Stone	\$ 336,427,667		\$ 21,026,817	\$ 315,400,850	-10.0%	-5.4%	\$ (2,102,682)	\$ (16,932,952)	\$ (19,035,634)	-5.7%
Coyote										
311.00 Structures and Improvements	\$ 34,878,682		\$ 1,821,419	\$ 33,057,263	-10.0%	-8.6%	\$ (182,142)	\$ (2,849,428)	\$ (3,031,570)	-8.7%
312.00 Boiler Plant Equipment	106,611,458		5,469,892	101,141,576	-10.0%	-8.6%	(546,988)	(8,718,073)	(9,265,061)	-8.7%
312.10 Boiler Plant Equipment - Landfill										
314.00 Turbogenerator Units	23,958,531		1,217,867	22,740,664	-10.0%	-8.6%	(121,787)	(1,960,171)	(2,081,957)	-8.7%
315.00 Accessory Electric Equipment	12,139,688		630,201	11,509,487	-10.0%	-8.6%	(63,020)	(992,080)	(1,055,100)	-8.7%
316.00 Miscellaneous Power Plant Equipment	2,386,532		119,471	2,267,061	-10.0%	-8.6%	(11,947)	(195,413)	(207,360)	-8.7%
Total Coyote	\$ 179,974,891		\$ 9,258,840	\$ 170,716,051	-10.0%	-8.6%	\$ (925,884)	\$ (14,715,165)	\$ (15,641,049)	-8.7%
OTHER PRODUCTION										
Jamestown										
341.00 Structures and Improvements	\$ 311,512		\$ 9,309	\$ 302,203	-5.0%	-5.9%	\$ (465)	\$ (17,718)	\$ (18,183)	-5.8%
342.00 Fuel Holders and Accessories	415,964		12,271	403,693	-5.0%	-5.9%	(614)	(23,668)	(24,282)	-5.8%
343.00 Prime Movers	6,952,527		211,138	6,741,389	-5.0%	-5.9%	(10,557)	(395,244)	(405,801)	-5.8%
344.00 Generators										
345.00 Accessory Electric Equipment	227,590		6,883	220,707	-5.0%	-5.9%	(344)	(12,940)	(13,284)	-5.8%
346.00 Miscellaneous Power Plant Equipment	88,665		2,532	86,133	-5.0%	-5.9%	(127)	(5,050)	(5,177)	-5.8%
Total Jamestown	\$ 7,996,258		\$ 242,133	\$ 7,754,125	-5.0%	-5.9%	\$ (12,107)	\$ (454,620)	\$ (466,727)	-5.8%
Jamestown Unit 1										
341.00 Structures and Improvements	\$ 286,659		\$ 8,591	\$ 278,068	-5.0%	-5.9%	\$ (430)	\$ (16,303)	\$ (16,733)	-5.8%
342.00 Fuel Holders and Accessories	379,195		11,140	368,055	-5.0%	-5.9%	(557)	(21,579)	(22,136)	-5.8%
343.00 Prime Movers	3,030,866		91,649	2,939,217	-5.0%	-5.9%	(4,582)	(172,325)	(176,907)	-5.8%
344.00 Generators										
345.00 Accessory Electric Equipment	155,272		4,829	150,443	-5.0%	-5.9%	(241)	(8,820)	(9,062)	-5.8%
346.00 Miscellaneous Power Plant Equipment	85,462		2,435	83,027	-5.0%	-5.9%	(122)	(4,868)	(4,990)	-5.8%
Total Jamestown Unit 1	\$ 3,937,454		\$ 118,643	\$ 3,818,811	-5.0%	-5.9%	\$ (5,932)	\$ (223,895)	\$ (229,827)	-5.8%
Jamestown Unit 2										
341.00 Structures and Improvements	\$ 24,853		\$ 719	\$ 24,134	-5.0%	-5.9%	\$ (36)	\$ (1,415)	\$ (1,451)	-5.8%
342.00 Fuel Holders and Accessories	36,769		1,131	35,638	-5.0%	-5.9%	(57)	(2,089)	(2,146)	-5.8%
343.00 Prime Movers	3,921,661		119,488	3,802,173	-5.0%	-5.9%	(5,974)	(222,919)	(228,894)	-5.8%
344.00 Generators										
345.00 Accessory Electric Equipment	72,318		2,054	70,264	-5.0%	-5.9%	(103)	(4,120)	(4,222)	-5.8%
346.00 Miscellaneous Power Plant Equipment	3,203		97	3,106	-5.0%	-5.9%	(5)	(182)	(187)	-5.8%
Total Jamestown Unit 2	\$ 4,058,804		\$ 123,489	\$ 3,935,315	-5.0%	-5.9%	\$ (6,174)	\$ (230,725)	\$ (236,900)	-5.8%

OTTER TAIL POWER COMPANY
Future Net Salvage
Steam and Other Production

Statement E

Account Description A	12/31/21 Plant			Future Retirements		Net Salvage Rate		Future Net Salvage			Future Rate J=I/B
	Investment 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	\$ 7,111	\$ 226,871	-5.0%	-6.9%	\$ (356)	\$ (15,728)	\$ (16,084)	-6.9%		
342.00 Fuel Holders and Accessories	328,705	9,938	318,767	-5.0%	-6.9%	(497)	(22,099)	(22,596)	-6.9%		
343.00 Prime Movers	3,282,642	100,045	3,182,597	-5.0%	-6.9%	(5,002)	(220,640)	(225,642)	-6.9%		
344.00 Generators											
345.00 Accessory Electric Equipment	400,094	12,193	387,901	-5.0%	-6.9%	(610)	(26,892)	(27,502)	-6.9%		
346.00 Miscellaneous Power Plant Equipment	21,607	660	20,947	-5.0%	-6.9%	(33)	(1,452)	(1,485)	-6.9%		
Total Lake Preston	\$ 4,267,030	\$ 129,947	\$ 4,137,083	-5.0%	-6.9%	\$ (6,497)	\$ (286,812)	\$ (293,309)	-6.9%		
Solway Combustion Turbine											
341.00 Structures and Improvements	\$ 4,816,246	\$ 201,070	\$ 4,615,176	-5.0%	-1.4%	\$ (10,054)	\$ (65,522)	\$ (75,575)	-1.6%		
342.00 Fuel Holders and Accessories	1,066,896	44,558	1,022,338	-5.0%	-1.4%	(2,228)	(14,514)	(16,742)	-1.6%		
343.00 Prime Movers	20,691,282	862,819	19,828,463	-5.0%	-1.4%	(43,141)	(281,505)	(324,645)	-1.6%		
344.00 Generators											
345.00 Accessory Electric Equipment	1,310,193	54,815	1,255,378	-5.0%	-1.4%	(2,741)	(17,823)	(20,563)	-1.6%		
346.00 Miscellaneous Power Plant Equipment	318,649	13,256	305,393	-5.0%	-1.4%	(663)	(4,336)	(4,998)	-1.6%		
Total Solway Combustion Turbine	\$ 28,203,266	\$ 1,176,519	\$ 27,026,747	-5.0%	-1.4%	\$ (58,826)	\$ (383,699)	\$ (442,524)	-1.6%		
Astoria Station Combustion Turbine											
341.00 Structures and Improvements	\$ 23,561,979	\$ 2,005,279	\$ 21,556,700	-5.0%	-1.4%	\$ (100,264)	\$ (301,794)	\$ (402,058)	-1.7%		
342.00 Fuel Holders and Accessories	5,543,995	471,830	5,072,165	-5.0%	-1.4%	(23,592)	(71,010)	(94,602)	-1.7%		
343.00 Prime Movers	101,177,910	8,610,905	92,567,005	-5.0%	-1.4%	(430,545)	(1,295,938)	(1,726,483)	-1.7%		
344.00 Generators											
345.00 Accessory Electric Equipment	6,929,994	589,788	6,340,206	-5.0%	-1.4%	(29,489)	(88,763)	(118,252)	-1.7%		
346.00 Miscellaneous Power Plant Equipment	1,385,999	117,958	1,268,041	-5.0%	-1.4%	(5,898)	(17,753)	(23,650)	-1.7%		
Total Astoria Station Combustion Turbine	\$ 138,599,877	\$ 11,795,760	\$ 126,804,117	-5.0%	-1.4%	\$ (589,788)	\$ (1,775,258)	\$ (2,365,046)	-1.7%		
WIND PRODUCTION											
Ashtabula											
341.00 Structures and Improvements	\$3,248,290	\$176,492	\$ 3,071,798	-5.0%	-4.2%	\$ (8,825)	\$ (128,337)	\$ (137,161)	-4.2%		
344.00 Generators	107,489,257	5,836,567	101,652,690	-5.0%	-4.2%	(291,828)	(4,246,944)	(4,538,773)	-4.2%		
345.00 Accessory Electric Equipment	6,479,774	351,834	6,127,940	-5.0%	-4.2%	(17,592)	(256,019)	(273,611)	-4.2%		
346.00 Miscellaneous Power Plant Equipment	122,301	6,458	115,843	-5.0%	-4.2%	(323)	(4,840)	(5,163)	-4.2%		
Total Ashtabula	\$ 117,339,622	\$ 6,371,352	\$ 110,968,270	-5.0%	-4.2%	\$ (318,568)	\$ (4,636,140)	\$ (4,954,707)	-4.2%		
Langdon											
341.00 Structures and Improvements	\$2,484,069	\$128,876	\$ 2,355,193	-5.0%	-4.9%	\$ (6,444)	\$ (115,301)	\$ (121,745)	-4.9%		
344.00 Generators	70,109,887	3,633,179	66,476,708	-5.0%	-4.9%	(181,659)	(3,254,442)	(3,436,101)	-4.9%		
345.00 Accessory Electric Equipment	7,407,275	383,898	7,023,377	-5.0%	-4.9%	(19,195)	(343,837)	(363,032)	-4.9%		
346.00 Miscellaneous Power Plant Equipment	153,450	7,745	145,705	-5.0%	-4.9%	(387)	(7,133)	(7,520)	-4.9%		
Total Langdon	\$ 80,154,681	\$ 4,153,697	\$ 76,000,984	-5.0%	-4.9%	\$ (207,685)	\$ (3,720,714)	\$ (3,928,399)	-4.9%		
Luverne											
341.00 Structures and Improvements	\$2,266,581	\$128,684	\$ 2,137,897	-5.0%	-7.1%	\$ (6,434)	\$ (151,861)	\$ (158,295)	-7.0%		
344.00 Generators	68,571,113	3,887,041	64,684,072	-5.0%	-7.1%	(194,352)	(4,594,694)	(4,789,046)	-7.0%		
345.00 Accessory Electric Equipment	4,863,837	276,136	4,587,701	-5.0%	-7.1%	(13,807)	(325,878)	(339,684)	-7.0%		
346.00 Miscellaneous Power Plant Equipment	176,670	9,806	166,864	-5.0%	-7.1%	(490)	(11,853)	(12,343)	-7.0%		
Total Luverne	\$ 75,878,201	\$ 4,301,666	\$ 71,576,535	-5.0%	-7.1%	\$ (215,083)	\$ (5,084,286)	\$ (5,299,369)	-7.0%		

OTTER TAIL POWER COMPANY
Future Net Salvage
Steam and Other Production

Statement E

Account Description A	12/31/21 Plant	Future Retirements		Net Salvage Rate		Future Net Salvage			Future Rate J=I/B
	Investment B	Interim C	Final D=B-C	Interim E	Final F	Interim G=C*E	Final H=D*F	Total I=G+H	
Merricourt									
341.00 Structures and Improvements	\$7,816,232	\$647,268	\$ 7,168,964	-5.0%	-5.0%	\$ (32,363)	\$ (358,448)	\$ (390,812)	-5.0%
344.00 Generators	234,486,959	19,418,029	215,068,930	-5.0%	-5.0%	(970,901)	(10,753,446)	(11,724,348)	-5.0%
345.00 Accessory Electric Equipment	18,237,875	1,510,291	16,727,584	-5.0%	-5.0%	(75,515)	(836,379)	(911,894)	-5.0%
346.00 Miscellaneous Power Plant Equipment									
Total Merricourt	\$ 260,541,066	\$ 21,575,588	\$ 238,965,478	-5.0%	-5.0%	\$ (1,078,779)	\$ (11,948,274)	\$ (13,027,053)	-5.0%
SOLAR PRODUCTION									
Jamestown									
343.00 Prime Movers	\$ 161,194	\$ 8,921	\$ 152,273	-1.0%	-1.0%	\$ (89)	\$ (1,523)	\$ (1,612)	-1.0%
Total Jamestown	\$ 161,194	\$ 8,921	\$ 152,273	-1.0%	-1.0%	\$ (89)	\$ (1,523)	\$ (1,612)	-1.0%
Rush Lake									
343.00 Prime Movers	\$ 156,123	\$ 9,011	\$ 147,112	-1.0%	-1.0%	\$ (90)	\$ (1,471)	\$ (1,561)	-1.0%
Total Rush Lake	\$ 156,123	\$ 9,011	\$ 147,112	-1.0%	-1.0%	\$ (90)	\$ (1,471)	\$ (1,561)	-1.0%
GENERAL PLANT									
390.10 General Office Buildings	\$6,660,529	\$322,960	\$ 6,337,569	-5.0%	45.6%	\$ (16,148)	\$ 2,888,813	\$ 2,872,665	43.1%
390.20 Fleet Service Center Building	733,050	46,067	686,983	-5.0%	59.7%	(2,303)	410,151	407,848	55.6%
390.25 Fleet Service Center - Jamestown	2,154,593	308,959	1,845,634	50.0%	50.0%	154,480	922,817	1,077,297	50.0%
390.30 Central Stores Building	4,276,593	271,879	4,004,714	-5.0%	81.3%	(13,594)	3,255,719	3,242,125	75.8%
Total General Plant	\$ 13,824,765	\$ 949,865	\$ 12,874,900	12.9%	58.1%	\$ 122,434	\$ 7,477,500	\$ 7,599,935	55.0%

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
INTANGIBLE PLANT												
303.91 Software - 5 Year	5.00	SQ	5.00	1.91			5.00	SQ	5.00	1.49		
303.92 Software - 10 Year	10.00	SQ	10.00	8.50			10.00	SQ	10.00	7.93		
Total Intangible Plant									8.67	6.21		
STEAM PRODUCTION												
311.00 Structures and Improvements			37.92	22.38	-7.4	-7.3			37.98	22.62	-6.4	-6.6
312.00 Boiler Plant Equipment			30.27	18.02	-10.0	-8.2			34.67	22.29	-8.5	-6.7
312.10 Boiler Plant Equipment - Landfill			35.94	29.32					35.95	28.39		
314.00 Turbogenerator Units			35.52	16.70	-3.8	-9.2			39.61	21.53	-1.1	-7.0
315.00 Accessory Electric Equipment			38.43	20.70	-7.8	-7.8			39.72	22.24	-6.7	-6.8
316.00 Miscellaneous Power Plant Equipment			27.23	14.67	-3.6	-9.1			34.17	21.56	-2.4	-6.9
Total Steam Production Plant									36.14	22.40	-6.9	-6.6
HYDRAULIC PRODUCTION												
331.00 Structures and Improvements			61.14	38.30	-0.1				85.19	38.12		
332.00 Reservoirs, Dams and Waterways			46.48	38.40	1.0				46.44	38.40	1.1	
333.00 Water Wheels, Turbines & Generators			53.08	38.36	-7.5				52.75	38.36	-6.4	
334.00 Accessory Electric Equipment			57.07	38.34	0.5				47.69	38.39	0.4	
335.00 Miscellaneous Power Plant Equipment			48.57	38.39	0.1				49.47	38.38	0.1	
Total Hydraulic Production Plant									47.68	38.39	0.1	
OTHER PRODUCTION												
341.00 Structures and Improvements			31.88	16.68	-2.1	-2.1			33.14	29.67	-1.8	-1.8
342.00 Fuel Holders and Accessories			32.54	15.08	-4.4	-3.6			33.03	28.20	-2.4	-2.1
343.00 Prime Movers			33.33	15.70	-3.4	-3.2			33.39	28.64	-2.1	-2.0
344.00 Generators												
345.00 Accessory Electric Equipment			34.51	15.76	-2.7	-3.2			33.70	29.13	-1.9	-2.0
346.00 Miscellaneous Power Plant Equipment			28.51	15.72	0.4	-2.8			32.15	28.15	-1.1	-1.9
Total Other Production Plant									33.34	28.81	-2.1	-2.0
WIND PRODUCTION												
341.00 Structures and Improvements			33.57	27.24	-5.1	-5.1			33.58	26.44	-5.1	-5.1
344.00 Generators			33.33	27.16	-5.2	-5.1			33.24	26.32	-5.1	-5.1
345.00 Accessory Electric Equipment			33.42	27.15	-5.1	-5.1			33.44	26.35	-5.1	-5.1
346.00 Miscellaneous Power Plant Equipment			23.76	21.85	-4.8	-5.5			23.69	20.94	-4.9	-5.5
Total Wind Production Plant									33.26	26.32	-5.1	-5.1

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
SOLAR PRODUCTION												
343.00 Prime Movers			24.22	23.27	0.3	-1.0			24.23	22.33	-1.0	-1.0
Total Solar Production Plant								24.23	22.33	-1.0	-1.0	
TRANSMISSION PLANT												
353.00 Station Equipment	65.00	R1	65.11	56.36	-1.6	-5.0	65.00	R1	65.12	56.01	-1.7	-5.0
354.00 Towers and Fixtures	75.00	R5	75.00	70.13	-10.0	-10.0	75.00	R5	75.00	69.13	-10.0	-10.0
355.00 Poles and Fixtures	75.00	R2	75.26	60.09	-46.2	-50.0	75.00	R2	75.25	60.85	-46.6	-50.0
356.00 Overhead Conductors and Devices	75.00	R2	75.10	62.95	-27.6	-30.0	75.00	R2	75.10	62.71	-27.6	-30.0
358.00 Underground Conductors and Devices	50.00	S4	51.07	13.11	-7.3	-5.0	50.00	S4	51.01	20.67	-6.8	-5.0
Total Transmission Plant								72.43	62.18	-21.0	-23.2	
DISTRIBUTION PLANT												
362.00 Station Equipment	43.00	SC	43.50	34.48	6.6	5.0	43.00	SC	43.52	34.46	6.6	5.0
364.00 Poles, Towers and Fixtures	70.00	R3	70.09	48.18	-100.8	-100.0	70.00	R3	70.10	48.12	-100.8	-100.0
365.00 Overhead Conductors and Devices	65.00	R2.5	65.23	43.12	-74.8	-75.0	65.00	R2.5	65.24	43.06	-74.7	-75.0
367.00 Underground Conductors and Devices	45.00	R4	44.91	29.08	-4.8	-5.0	45.00	R4	44.94	29.62	-4.7	-5.0
368.00 Line Transformers	43.00	R2.5	43.01	30.45	31.2	30.0	43.00	R2.5	43.01	30.53	31.3	30.0
369.00 Overhead Services	55.00	S5	55.38	29.40	-204.6	-200.0	55.00	S5	55.42	28.93	-205.0	-200.0
369.10 Underground Services	50.00	R4	50.14	32.89	-20.4	-20.0	50.00	R4	50.16	32.56	-20.4	-20.0
370.00 Meters	28.00	L1	29.20	19.37	0.1		28.00	L1	29.21	19.09	0.2	
370.05 Smart Meters	20.00	S3	20.00	17.57			20.00	S3	20.00	16.57		
370.10 Load Management Switches	15.00	R5	16.14	1.75			15.00	R5	16.74	1.42		
371.10 Electric Vehicle Charging Stations							10.00	SQ	10.00	7.50		
371.20 Other Private Lighting	25.00	O3	25.47	24.50	1.5		25.00	O3	25.26	24.52	0.6	
373.00 Street Lighting and Signal Systems	22.00	L0.5	22.31	18.12	-4.6	-5.0	22.00	L0.5	22.17	18.51	-5.1	-5.0
Total Distribution Plant								44.80	30.92	-19.8	-22.3	
GENERAL PLANT												
Depreciable												
390.00 Structures and Improvements	50.00	R1	50.99	32.84	8.9	5.0	50.00	R1	51.08	32.44	8.8	5.0
390.10 General Office Buildings	2040	200-SC	38.24	19.00	34.7	45.0	2040	200-SC	36.64	18.05	33.5	43.1
390.20 Fleet Service Center Building	2045	200-SC	29.52	23.74	64.4	67.9	2045	200-SC	47.56	22.76	43.3	55.6
390.25 Fleet Service Center - Jamestown	2079	60-SQ	60.00	60.00	50.0	50.0	2079	200-SC	55.51	53.34	50.0	50.0
390.30 Central Stores Building	2045	200-SC	54.87	23.68	74.0	75.8	2045	200-SC	54.93	22.74	74.0	75.8
396.00 Power Operated Equipment	23.00	L0	23.45	19.85	9.9	5.0	23.00	L0	23.46	19.69	10.0	5.0
397.40 Communication Towers	50.00	R2.5	50.44	30.52	-3.6	-5.0	50.00	R2.5	50.49	29.74	-3.6	-5.0
Total Depreciable								46.25	28.07	21.5	22.5	

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
Amortizable												
391.00 Office Furniture	15.00	SQ	15.00	4.89			15.00	SQ	15.00		5.39	
391.10 Office Equipment	10.00	SQ	10.00	3.21			10.00	SQ	10.00		4.54	
391.20 Duplicating Equipment	10.00	SQ	10.00	4.44			10.00	SQ	10.00		4.18	
391.50 Computer Systems	5.00	SQ	5.00	1.75			5.00	SQ	5.00		2.35	
391.60 Computer Related Equipment	5.00	SQ	5.00	2.39			5.00	SQ	5.00		2.40	
394.00 Tools, Shop and Garage Equipment	15.00	SQ	15.00	6.69			15.00	SQ	15.00		6.94	
394.20 Automated Meter Reading Equipment	15.00	SQ	15.00	5.65			15.00	SQ	15.00		5.05	
397.00 Communication Equipment	15.00	SQ	15.00	9.78			15.00	SQ	15.00		10.05	
397.10 Radio Telecommunication Equipment	10.00	SQ	10.00	1.00			10.00	SQ	10.00		1.00	
397.20 Microwave Equipment	15.00	SQ	15.00	7.11			15.00	SQ	15.00		6.98	
397.30 Radio Load Control Equipment	10.00	SQ	10.00	2.21			10.00	SQ	10.00		4.69	
Total Amortizable									8.82		4.31	
Total General Plant									17.78		10.00	7.9 14.0
TOTAL UTILITY									39.85		29.94	-12.0 -13.3
STEAM PRODUCTION												
Big Stone												
311.00 Structures and Improvements	2046	200-SC	34.53	24.66	-5.9	-5.8	2046	200-SC	34.53		23.73	-5.7 -5.7
312.00 Boiler Plant Equipment	2046	200-SC	32.92	24.67	-9.0	-5.8	2046	200-SC	32.49		23.73	-8.8 -5.7
312.10 Boiler Plant Equipment - Landfill												
314.00 Turbogenerator Units	2046	200-SC	42.25	24.64	-2.0	-5.8	2046	200-SC	41.54		23.71	-2.0 -5.7
315.00 Accessory Electric Equipment	2046	200-SC	36.81	24.66	-6.2	-5.8	2046	200-SC	36.64		23.72	-6.1 -5.7
316.00 Miscellaneous Power Plant Equipment	2046	200-SC	38.02	24.65	-3.2	-5.8	2046	200-SC	37.20		23.72	-3.1 -5.7
Total Big Stone									33.93		23.73	-7.3 -5.7
Hoot Lake Units 2 and 3												
311.00 Structures and Improvements												
312.00 Boiler Plant Equipment												
312.10 Boiler Plant Equipment - Landfill	2051	200-SC	35.94	29.32			2051	200-SC	35.95		28.39	
314.00 Turbogenerator Units												
315.00 Accessory Electric Equipment												
316.00 Miscellaneous Power Plant Equipment												
Total Hoot Lake Units 2 and 3									35.95		28.39	

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
Coyote												
311.00 Structures and Improvements	2041	200-SC	49.49	19.93	-8.1	-8.7	2041	200-SC	49.34	18.98	-8.1	-8.7
312.00 Boiler Plant Equipment	2041	200-SC	39.90	19.94	-7.7	-8.7	2041	200-SC	39.67	18.99	-7.8	-8.7
312.10 Boiler Plant Equipment - Landfill												
314.00 Turbogenerator Units	2041	200-SC	37.45	19.95		-8.7	2041	200-SC	37.37	19.00		-8.7
315.00 Accessory Electric Equipment	2041	200-SC	46.64	19.93	-7.7	-8.7	2041	200-SC	46.52	18.99	-7.7	-8.7
316.00 Miscellaneous Power Plant Equipment	2041	200-SC	32.20	19.95	-1.3	-8.7	2041	200-SC	30.61	19.01	-1.4	-8.7
Total Coyote									41.14	18.99	-6.5	-8.7
HYDRAULIC PRODUCTION												
Hoot Lake												
331.00 Structures and Improvements	2061	200-SC	97.26	38.04			2062	200-SC	98.19	38.03		
332.00 Reservoirs, Dams and Waterways	2061	200-SC	80.36	38.16	-0.1		2062	200-SC	81.38	38.16	-0.1	
333.00 Water Wheels, Turbines & Generators	2061	200-SC	71.91	38.24			2062	200-SC	72.82	38.23		
334.00 Accessory Electric Equipment	2061	200-SC	66.86	38.27			2062	200-SC	40.11	38.44		
335.00 Miscellaneous Power Plant Equipment	2061	200-SC	46.09	38.41			2062	200-SC	46.99	38.40		
Total Hoot Lake									53.02	38.35		
Wright												
331.00 Structures and Improvements	2061	200-SC	72.01	38.23			2062	200-SC	72.98	38.22		
332.00 Reservoirs, Dams and Waterways	2061	200-SC	50.72	38.37	27.1		2062	200-SC	51.67	38.37	27.1	
333.00 Water Wheels, Turbines & Generators	2061	200-SC	48.04	38.39	-3.6		2062	200-SC	48.95	38.39	-3.6	
334.00 Accessory Electric Equipment	2061	200-SC	54.32	38.35	2.2		2062	200-SC	55.22	38.35	2.2	
335.00 Miscellaneous Power Plant Equipment	2061	200-SC	52.21	38.37	-0.7		2062	200-SC	53.11	38.36	-0.7	
Total Wright									51.42	38.37	12.6	
Pisgah												
331.00 Structures and Improvements	2061	200-SC	77.81	38.19			2062	200-SC	78.77	38.18		
332.00 Reservoirs, Dams and Waterways	2061	200-SC	40.36	38.44			2062	200-SC	41.28	38.43		
333.00 Water Wheels, Turbines & Generators	2061	200-SC	53.25	38.36	-15.0		2062	200-SC	54.16	38.35	-15.0	
334.00 Accessory Electric Equipment	2061	200-SC	53.20	38.36	-0.3		2062	200-SC	54.01	38.35	-0.3	
335.00 Miscellaneous Power Plant Equipment	2061	200-SC	46.09	38.41	-0.6		2062	200-SC	46.99	38.40	-0.6	
Total Pisgah									42.22	38.42	-0.7	

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
Dayton Hollow												
331.00 Structures and Improvements	2061	200-SC	47.07	38.40			2062	200-SC	47.97	38.39		
332.00 Reservoirs, Dams and Waterways	2061	200-SC	46.81	38.40	-7.3		2062	200-SC	46.63	38.40	-6.6	
333.00 Water Wheels, Turbines & Generators	2061	200-SC	52.17	38.36	-10.2		2062	200-SC	53.08	38.36	-10.2	
334.00 Accessory Electric Equipment	2061	200-SC	58.74	38.33	0.1		2062	200-SC	59.65	38.32	0.1	
335.00 Miscellaneous Power Plant Equipment	2061	200-SC	46.15	38.41	-0.2		2062	200-SC	47.05	38.40	-0.2	
Total Dayton Hollow									47.96	38.39	-6.1	
Taplin Gorge												
331.00 Structures and Improvements	2061	200-SC	107.82	37.95			2062	200-SC	108.74	37.95		
332.00 Reservoirs, Dams and Waterways	2061	200-SC	61.33	38.30	-4.8		2062	200-SC	62.31	38.29	-4.8	
333.00 Water Wheels, Turbines & Generators	2061	200-SC	112.60	37.92			2062	200-SC	113.50	37.91		
334.00 Accessory Electric Equipment	2061	200-SC	62.01	38.30	-0.3		2062	200-SC	62.95	38.30	-0.3	
335.00 Miscellaneous Power Plant Equipment	2061	200-SC	50.56	38.38	1.8		2062	200-SC	51.46	38.37	1.8	
Total Taplin Gorge									62.47	38.29	-3.2	
OTHER PRODUCTION												
Jamestown												
341.00 Structures and Improvements			34.97	12.29	-6.1	-5.9			35.02	11.32	-5.9	-5.7
342.00 Fuel Holders and Accessories			28.52	12.30	-7.9	-5.9			28.50	11.33	-7.8	-5.7
343.00 Prime Movers			40.80	12.29	-7.1	-5.9			40.84	11.32	-7.0	-5.7
344.00 Generators												
345.00 Accessory Electric Equipment			36.94	12.29	-1.9	-5.9			36.96	11.32	-1.8	-5.7
346.00 Miscellaneous Power Plant Equipment			22.79	12.30	4.3	-5.9			22.81	11.33	4.4	-5.7
Total Jamestown									39.24	11.32	-6.7	-5.7
Jamestown Unit 1												
341.00 Structures and Improvements	2033	200-SC	35.79	12.29	-6.1	-5.9	2033	200-SC	35.84	11.32	-6.0	-5.8
342.00 Fuel Holders and Accessories	2033	200-SC	28.26	12.30	-9.0	-5.9	2033	200-SC	28.29	11.33	-9.0	-5.8
343.00 Prime Movers	2033	200-SC	37.98	12.29	-8.3	-5.9	2033	200-SC	38.01	11.32	-8.3	-5.8
344.00 Generators												
345.00 Accessory Electric Equipment	2033	200-SC	56.14	12.28	-5.4	-5.8	2033	200-SC	56.26	11.31	-5.4	-5.8
346.00 Miscellaneous Power Plant Equipment	2033	200-SC	22.37	12.30	1.9	-5.9	2033	200-SC	22.39	11.33	1.9	-5.8
Total Jamestown Unit 1									36.55	11.32	-7.8	-5.8

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
Jamestown Unit 2												
341.00 Structures and Improvements	2033	200-SC	27.64	12.30	-5.9	-5.9	2033	200-SC	27.68	11.33	-5.8	-5.8
342.00 Fuel Holders and Accessories	2033	200-SC	31.56	12.28	-5.5	-5.8	2033	200-SC	30.87	11.32	-5.5	-5.8
343.00 Prime Movers	2033	200-SC	43.28	12.29	-6.2	-5.8	2033	200-SC	43.33	11.32	-6.2	-5.8
344.00 Generators												
345.00 Accessory Electric Equipment	2033	200-SC	21.30	12.30	3.2	-5.9	2033	200-SC	21.28	11.33	3.3	-5.8
346.00 Miscellaneous Power Plant Equipment	2033	200-SC	45.78	12.29	14.3	-5.9	2033	200-SC	45.87	11.32	14.3	-5.8
Total Jamestown Unit 2									42.25	11.32	-5.9	-5.8
Lake Preston												
341.00 Structures and Improvements	2033	200-SC	42.15	12.29	-6.9	-6.9	2033	200-SC	42.23	11.32	-6.9	-6.9
342.00 Fuel Holders and Accessories	2033	200-SC	39.90	12.29	-6.7	-6.9	2033	200-SC	39.90	11.32	-6.6	-6.9
343.00 Prime Movers	2033	200-SC	43.18	12.29	-6.7	-6.9	2033	200-SC	43.23	11.32	-6.7	-6.9
344.00 Generators												
345.00 Accessory Electric Equipment	2033	200-SC	42.16	12.29	-6.7	-6.9	2033	200-SC	42.22	11.32	-6.7	-6.9
346.00 Miscellaneous Power Plant Equipment	2033	200-SC	48.64	12.28	4.4	-6.9	2033	200-SC	48.73	11.32	4.4	-6.9
Total Lake Preston									42.83	11.32	-6.7	-6.9
Solway Combustion Turbine												
341.00 Structures and Improvements	2038	200-SC	31.33	17.10	-1.6	-1.6	2038	200-SC	31.22	16.15	-1.6	-1.6
342.00 Fuel Holders and Accessories	2038	200-SC	32.48	17.10	-1.5	-1.6	2038	200-SC	31.18	16.15	-1.5	-1.6
343.00 Prime Movers	2038	200-SC	30.32	17.10	-1.8	-1.6	2038	200-SC	30.09	16.15	-1.7	-1.6
344.00 Generators												
345.00 Accessory Electric Equipment	2038	200-SC	32.35	17.10	-1.5	-1.6	2038	200-SC	32.36	16.14	-1.5	-1.6
346.00 Miscellaneous Power Plant Equipment	2038	200-SC	29.75	17.10	-1.6	-1.6	2038	200-SC	29.76	16.15	-1.5	-1.6
Total Solway Combustion Turbine									30.41	16.15	-1.7	-1.6
Astoria Station Combustion Turbine												
341.00 Structures and Improvements	2056		35.00	34.00	-1.7	-1.7	2056	200-SC	33.47	33.01	-1.7	-1.7
342.00 Fuel Holders and Accessories	2056		35.00	34.00	-1.7	-1.7	2056	200-SC	33.47	33.01	-1.7	-1.7
343.00 Prime Movers	2056		35.00	34.00	-1.7	-1.7	2056	200-SC	33.47	33.01	-1.7	-1.7
344.00 Generators	2056		35.00	34.00	-1.7	-1.7						
345.00 Accessory Electric Equipment	2056		35.00	34.00	-1.7	-1.7	2056	200-SC	33.47	33.01	-1.7	-1.7
346.00 Miscellaneous Power Plant Equipment	2056		35.00	34.00	-1.7	-1.7	2056	200-SC	33.47	33.01	-1.7	-1.7
Total Astoria Station Combustion Turbine									33.47	33.01	-1.7	-1.7

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
Fergus Falls Control Center												
341.00 Structures and Improvements												
342.00 Fuel Holders and Accessories												
343.00 Prime Movers	2030	200-SC	34.28	9.38	-4.0	-5.0	2030	200-SC	34.35	8.40	-4.0	-5.0
344.00 Generators												
345.00 Accessory Electric Equipment												
346.00 Miscellaneous Power Plant Equipment												
Total Fergus Falls Control Center									34.35	8.40	-4.0	-5.0
WIND PRODUCTION												
Ashtabula												
341.00 Structures and Improvements	2043	200-SC	33.66	21.85	-4.3	-4.3	2043	200-SC	33.70	20.90	-4.2	-4.2
344.00 Generators	2043	200-SC	33.31	21.85	-4.2	-4.3	2043	200-SC	33.24	20.90	-4.1	-4.2
345.00 Accessory Electric Equipment	2043	200-SC	33.35	21.85	-4.3	-4.3	2043	200-SC	33.38	20.90	-4.2	-4.2
346.00 Miscellaneous Power Plant Equipment	2043	200-SC	22.91	21.87	-3.6	-4.2	2043	200-SC	22.87	20.92	-3.7	-4.2
Total Ashtabula									33.24	20.90	-4.1	-4.2
Langdon												
341.00 Structures and Improvements	2042	200-SC	33.70	20.90	-4.9	-4.9	2042	200-SC	33.73	19.96	-4.9	-4.9
344.00 Generators	2042	200-SC	33.08	20.90	-4.8	-4.9	2042	200-SC	32.97	19.96	-4.8	-4.9
345.00 Accessory Electric Equipment	2042	200-SC	33.25	20.90	-4.9	-4.9	2042	200-SC	33.28	19.96	-4.9	-4.9
346.00 Miscellaneous Power Plant Equipment	2042	200-SC	23.09	20.92	-4.2	-4.9	2042	200-SC	23.08	19.97	-4.2	-4.9
Total Langdon									32.99	19.96	-4.8	-4.9
Luverne												
341.00 Structures and Improvements	2044	200-SC	33.63	22.79	-7.1	-7.1	2044	200-SC	33.66	21.85	-7.0	-7.0
344.00 Generators	2044	200-SC	33.13	22.79	-7.7	-7.1	2044	200-SC	32.77	21.85	-7.6	-7.0
345.00 Accessory Electric Equipment	2044	200-SC	33.63	22.79	-7.1	-7.1	2044	200-SC	33.66	21.85	-7.0	-7.0
346.00 Miscellaneous Power Plant Equipment	2044	200-SC	25.11	22.81	-6.3	-7.1	2044	200-SC	24.87	21.86	-6.3	-7.0
Total Luverne									32.83	21.85	-7.5	-7.0
Merricourt												
341.00 Structures and Improvements	2055	200-SC	33.47	33.01	-5.0	-5.0	2055	200-SC	33.47	32.09	-5.0	-5.0
344.00 Generators	2055	200-SC	33.47	33.01	-5.0	-5.0	2055	200-SC	33.47	32.09	-5.0	-5.0
345.00 Accessory Electric Equipment	2055	200-SC	33.47	33.01	-5.0	-5.0	2055	200-SC	33.47	32.09	-5.0	-5.0
346.00 Miscellaneous Power Plant Equipment												
Total Merricourt									33.47	32.09	-5.0	-5.0

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
SOLAR PRODUCTION												
<u>Jamestown</u>												
343.00 Prime Movers	2044	200-SC	24.22	22.81	-1.0	-1.0	2044	200-SC	24.23	21.86	-1.0	-1.0
Total Jamestown									24.23	21.86	-1.0	-1.0
<u>Rush Lake</u>												
343.00 Prime Movers	2045	200-SC	24.22	23.75	-1.0	-1.0	2045	200-SC	24.22	22.81	-1.0	-1.0
Total Rush Lake									24.22	22.81	-1.0	-1.0

OTTER TAIL POWER COMPANY
Plant Activity for 2021

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.	\$ 5,848,315	\$ 201,625	\$ 1,389,146	\$ -	\$ -	\$ 4,660,794
303.92 Software - 10 Yr.	20,179,746	5,467,310				25,647,055
Intangible Plant	\$ 26,028,061	\$ 5,668,935	\$ 1,389,146			\$ 30,307,850
STEAM PRODUCTION						
311.00 Structures and Improvements	\$ 121,217,007	\$ 136,820	\$ 32,180	\$ -	\$ -	\$ 121,321,648
312.00 Boiler Plant Equipment	339,466,251	6,636,061	1,083,510			345,018,802
312.10 Boiler Plant Equipment - Landfill	10,412,772					10,412,772
314.00 Turbo Generator Units	65,901,518	686,175	46,117			66,541,576
315.00 Accessory Electric Equipment	35,770,319	226,497	24,615			35,972,201
316.00 Misc. Power Plant Equipment	6,791,188	293,241	93,428			6,991,002
Total Steam Production	\$ 579,559,055	\$ 7,978,795	\$ 1,279,850			\$ 586,258,001
HYDRAULIC PRODUCTION						
331.00 Structures and Improvements	\$ 351,712	\$ -	\$ -	\$ -	\$ -	\$ 351,712
332.00 Reservoirs, Dams and Waterways	7,500,256	196,262				7,696,518
333.00 Water Wheels, Turbines and Gen.	1,373,867					1,373,867
334.00 Accessory Electric Equipment	597,103	455,523				1,052,626
335.00 Misc. Power Plant Equipment	435,296					435,296
Total Hydraulic Production	\$ 10,258,233	\$ 651,785	\$ -			\$ 10,910,019
OTHER PRODUCTION						
341.00 Structures and Improvements	\$ 20,800,211	\$ 23,938,679	\$ -	\$ -	\$ -	\$ 44,738,890
342.00 Fuel Holders and Accessories	1,764,467	5,591,094				7,355,561
343.00 Prime Movers	31,712,244	101,301,071				133,013,315
344.00 Generators	467,617,122	13,040,093				480,657,215
345.00 Accessory Electric Equipment	38,105,621	7,751,010				45,856,631
346.00 Misc. Power Plant Equipment	867,190	1,400,150				2,267,340
Total Other Production	\$ 560,866,856	\$ 153,022,097	\$ -			\$ 713,888,953
TRANSMISSION PLANT						
353.00 Station Equipment	\$ 162,264,161	\$ 6,784,025	\$ 96,263	\$ -	\$ 54,948	\$ 169,006,871
354.00 Towers and Fixtures	191,081,948	247,630	284,774			191,044,804
355.00 Poles and Fixtures	147,132,677	16,424,078	277,934			163,278,820
356.00 Overhead Conductors and Devices	171,989,284	7,732,673	1,408,988			178,312,969
358.00 Underground Conductors and Devices	77,461	22,006				99,466
Total Transmission Plant	\$ 672,545,530	\$ 31,210,411	\$ 2,067,959		\$ 54,948	\$ 701,742,930

OTTER TAIL POWER COMPANY
Plant Activity for 2021

Statement G

Account Description A	Beginning Balance B	Additions C	Retirements D	Adjustments E	Transfers F	Ending Balance G
DISTRIBUTION PLANT						
362.00 Station Equipment	\$ 89,667,123	\$ 5,028,776	\$ 651,231	\$ -	\$ (54,772)	\$ 93,989,896
364.00 Poles, Towers and Fixtures	79,123,058	2,911,432	123,744			81,910,745
365.00 Overhead Conductors and Devices	56,852,617	1,942,323	210,720		(1,100)	58,583,119
367.00 Underground Conductors and Devices	92,508,809	8,745,113	238,744			101,015,178
368.00 Line Transformers	112,721,811	7,985,765	650,667		(25,100)	120,031,810
369.00 Overhead Services	13,652,260	213,802	12,298			13,853,765
369.10 Underground Services	46,383,443	1,578,099	31,130			47,930,412
370.00 Meters	27,268,533	750,343	233,385			27,785,491
370.05 Smart Meters	921,313					921,313
370.10 Load Management Switches	8,899,439					8,899,439
370.20 Interruption Monitors	(0)					(0)
371.10 Electric Vehicle Charging Station					26,200	26,200
371.20 Other Private Lighting	7,107,183	1,873,294	447,374			8,533,104
373.00 Street Lighting and Signal Systems	9,509,826	1,712,191	781,367			10,440,649
Total Distribution Plant	\$ 544,615,415	\$ 32,741,137	\$ 3,380,661		\$ (54,772)	\$ 573,921,120
GENERAL PLANT						
390.00 Structures and Improvements	\$ 20,656,074	\$ 362,507	\$ 13,536	\$ -	\$ 200,603	\$ 21,205,647
390.10 General Office Buildings	6,379,788	280,741				6,660,529
390.20 Fleet Service Center Buildings	3,133,344		4,025		(2,396,268)	733,050
390.25 Fleet Service Center Buildings		(41,072)			2,195,666	2,154,593
390.30 Central Stores Building	4,276,593					4,276,593
391.00 Office Furniture	703,063	101,669	38,045			766,687
391.10 Office Equipment	374,681	131,976	40,351			466,306
391.20 Duplicating Equipment	239,837		38,162			201,675
391.50 Computer Systems	3,706,467	1,246,893				4,953,359
391.60 Computer Related Equipment	2,075,789	785,705				2,861,494
394.00 Tools, Shop and Garage Equipment	4,147,732	588,845				4,736,577
394.20 Automated Meter Reading Equipment	950,669	40,760				991,428
396.00 Power Operated Equipment	1,430,267	110,763	23,728			1,517,303
397.00 Communication Equipment	2,965,064	925,118			(176)	3,890,006
397.10 Radio Telecommunications Equipment	693,083		449,783			243,300
397.20 Microwave Equipment	3,276,047	407,260				3,683,307
397.30 Radio Load Control Equipment	459,343					459,343
397.40 Communication Equipment - Towers	1,877,722					1,877,722
Total General Plant	\$ 57,345,564	\$ 4,941,165	\$ 607,631		\$ (176)	\$ 61,678,923
TOTAL DEPRECIABLE PLANT	\$ 2,451,218,715	\$ 236,214,326	\$ 8,725,246	\$ -	\$ (0)	\$ 2,678,707,794

OTTER TAIL POWER COMPANY
Analysis of Depreciation Reserve for 2021

Statement H

Account Description A	Beginning Balance B	Credits		Debits			Ending Balance H
		Accruals C	Gross Salvage D	Retirements E	Cost of Removal F	Other Credits (Debits) G	
INTANGIBLE PLANT							
303.91 Software - 5 Yr.	\$ 3,416,666	\$ 1,128,668	\$ -	\$ 1,389,146	\$ -	\$ -	\$ 3,156,189
303.92 Software - 10 Yr.	3,717,709	2,254,685					5,972,394
Total Intangible Plant	\$ 7,134,375	\$ 3,383,353	\$ -	\$ 1,389,146	\$ -	\$ -	\$ 9,128,583
STEAM PRODUCTION							
311.00 Structures and Improvements	\$ 62,925,865	\$ 3,178,406	\$ -	\$ 32,180	\$ 5,398	\$ -	\$ 66,066,693
312.00 Boiler Plant Equipment	146,161,501	12,852,662	2,383	1,083,510	110,125		157,822,911
312.10 Boiler Plant Equipment - Landfill	5,902,003	234,017					6,136,019
314.00 Turbo Generator Units	46,266,694	1,939,596		46,117	7,344		48,152,828
315.00 Accessory Electric Equipment	21,141,273	924,573		24,615	925		22,040,306
316.00 Misc. Power Plant Equipment	3,750,751	275,747	8,233	93,428	1		3,941,302
Total Steam Production	\$ 286,148,087	\$ 19,405,000	\$ 10,616	\$ 1,279,850	\$ 123,793	\$ -	\$ 304,160,059
HYDRAULIC PRODUCTION							
331.00 Structures and Improvements	\$ 336,709	\$ 12,618	\$ -	\$ -	\$ -	\$ -	\$ 349,327
332.00 Reservoirs, Dams and Waterways	3,985,865	157,971					4,143,836
333.00 Water Wheels, Turbines and Gen.	1,320,802	15,716					1,336,518
334.00 Accessory Electric Equipment	573,259	839					574,098
335.00 Misc. Power Plant Equipment	401,018	938					401,956
Total Hydraulic Production	\$ 6,617,653	\$ 188,081	\$ -	\$ -	\$ -	\$ -	\$ 6,805,734
OTHER PRODUCTION							
341.00 Structures and Improvements	\$ 6,592,883	\$ 1,159,867	\$ -	\$ -	\$ -	\$ -	\$ 7,752,751
342.00 Fuel Holders and Accessories	1,046,613	182,446					1,229,059
343.00 Prime Movers	16,315,892	3,416,584					19,732,476
344.00 Generators	113,308,193	13,460,690			3,000		126,765,883
345.00 Accessory Electric Equipment	10,270,443	1,242,752					11,513,195
346.00 Misc. Power Plant Equipment	209,569	68,848					278,418
Total Other Production	\$ 147,743,593	\$ 19,531,188	\$ -	\$ -	\$ 3,000	\$ -	\$ 167,271,781
TRANSMISSION PLANT							
353.00 Station Equipment	\$ 28,532,405	\$ 2,588,641	\$ -	\$ 96,263	\$ 18,517	\$ 14,769	\$ 31,021,035
354.00 Towers and Fixtures	13,936,739	2,782,725		284,774	30,057		16,404,633
355.00 Poles and Fixtures	57,303,246	2,775,331	53,265	277,934	245,500		59,608,407
356.00 Overhead Conductors and Devices	48,109,709	2,759,234	31,149	1,408,988	264,409		49,226,695
358.00 Underground Conductors and Devices	75,223	456					75,679
Total Transmission Plant	\$ 147,957,321	\$ 10,906,387	\$ 84,414	\$ 2,067,959	\$ 558,484	\$ 14,769	\$ 156,336,449

OTTER TAIL POWER COMPANY
Analysis of Depreciation Reserve for 2021

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		
DISTRIBUTION PLANT							
362.00 Station Equipment	\$ 25,379,633	\$ 1,756,317	\$ 105,783	\$ 651,231	\$ 43,247	\$ (14,680)	\$ 26,532,576
364.00 Poles, Towers and Fixtures	47,403,278	2,310,094	306,949	123,744	458,014		49,438,562
365.00 Overhead Conductors and Devices	43,702,490	1,316,120	126,770	210,720	253,441	(91)	44,681,127
367.00 Underground Conductors and Devices	41,498,126	1,946,149	185,143	238,744	74,140		43,316,533
368.00 Line Transformers	18,906,759	1,976,911	726,970	650,667	334,405	(2,965)	20,622,603
369.00 Overhead Services	17,312,730	795,036	3	12,298	81,252		18,014,219
369.10 Underground Services	21,334,138	1,038,976	1	31,130	24,108		22,317,877
370.00 Meters	9,454,127	915,765	163	233,385			10,136,670
370.05 Smart Meters	86,696	44,944					131,641
370.10 Load Management Switches	8,687,370	97,725					8,785,095
370.20 Interruption Monitors	0						0
371.10 Electric Vehicle Charging Station		2,183				3,057	5,240
371.20 Other Private Lighting	598,168	280,068	58,239	447,374	157,542		331,559
373.00 Street Lighting and Signal Systems	2,220,909	490,751	72,954	781,367	197,468		1,805,779
Total Distribution Plant	\$ 236,584,425	\$ 12,971,040	\$ 1,582,975	\$ 3,380,661	\$ 1,623,617	\$ (14,680)	\$ 246,119,482
GENERAL PLANT							
390.00 Structures and Improvements	\$ 6,875,706	\$ 414,702	\$ -	\$ 13,536	\$ -	\$ 145,073	\$ 7,421,944
390.10 General Office Buildings	2,521,536	54,284					2,575,820
390.20 Fleet Service Center Buildings	638,632	7,151		4,025		(205,520)	436,238
390.25 Fleet Service Center Buildings		11,609				60,447	72,056
390.30 Central Stores Building	1,576,198	(22,927)					1,553,272
391.00 Office Furniture	469,720	50,341		38,045			482,015
391.10 Office Equipment	260,618	38,795		40,351			259,061
391.20 Duplicating Equipment	126,895	22,938		38,162			111,671
391.50 Computer Systems	2,147,243	866,438					3,013,681
391.60 Computer Related Equipment	780,871	469,228					1,250,098
394.00 Tools, Shop and Garage Equipment	2,255,422	301,478					2,556,900
394.20 Automated Meter Reading Equipment	589,508	63,605					653,113
396.00 Power Operated Equipment	222,201	56,827	7,608	23,728			262,908
397.00 Communication Equipment	940,475	199,610				(89)	1,139,996
397.10 Radio Telecommunications Equipment	627,260	58,673		449,783			236,149
397.20 Microwave Equipment	1,669,432	219,668					1,889,100
397.30 Radio Load Control Equipment	334,053	45,934					379,987
397.40 Communication Equipment - Towers	999,461	31,048					1,030,509
Total General Plant	\$ 23,035,231	\$ 2,889,401	\$ 7,608	\$ 607,631	\$ -	\$ (89)	\$ 25,324,520
TOTAL DEPRECIABLE PLANT	\$ 855,220,686	\$ 69,274,450	\$ 1,685,612	\$ 8,725,246	\$ 2,308,894	\$ 0	\$ 915,146,608

OTTER TAIL POWER COMPANY
Summary of Annual Depreciation Accruals for 2021

Statement I

Account Description A	Beginning Plant Balance B	Est. Future Net Salvage		Beginning Depreciation Reserve E	Net Balance F=B-D-E	Projection Life (Yrs.) G	Remaining Life (Yrs.) H	Annual Accrual I=F/H	Accrual Rate J=I/B
		Percent C	Amount D=B*C						
INTANGIBLE PLANT									
303.91 Software - 5 Yr.	\$ 5,848,315		\$ -	\$ 3,416,666	\$ 2,431,649	5.00	2.34	\$ 1,039,166	17.77%
303.92 Software - 10 Yr.	20,179,746			3,717,709	16,462,036	10.00	9.50	\$ 1,732,846	8.59%
Total Intangible Plant	\$ 26,028,061		\$ -	\$ 7,134,375	\$ 18,893,686		6.82	\$ 2,772,012	10.65%
STEAM PRODUCTION									
311.00 Structures and Improvements	\$ 121,217,007	-7.2%	\$ (8,727,625)	\$ 62,925,865	\$ 67,018,767		23.28	\$ 2,878,813	2.37%
312.00 Boiler Plant Equipment	339,466,251	-8.1%	(27,496,766)	146,161,501	220,801,517		18.95	11,651,795	3.43%
312.10 Boiler Plant Equipment - Landfill	10,412,772			5,902,003	4,510,769		30.24	149,166	1.43%
314.00 Turbo Generator Units	65,901,518	-9.1%	(5,997,038)	46,266,694	25,631,863		17.58	1,458,013	2.21%
315.00 Accessory Electric Equipment	35,770,319	-7.7%	(2,754,315)	21,141,273	17,383,360		21.59	805,158	2.25%
316.00 Misc. Power Plant Equipment	6,791,188	-9.0%	(611,207)	3,750,751	3,651,644		15.25	239,452	3.53%
Total Steam Production	\$ 579,559,055	-7.9%	\$ (45,586,951)	\$ 286,148,087	\$ 338,997,919		19.73	\$ 17,182,396	2.96%
HYDRAULIC PRODUCTION									
331.00 Structures and Improvements	\$ 351,712		\$ -	\$ 336,709	\$ 15,003		1.50	\$ 10,002	2.84%
332.00 Reservoirs, Dams and Waterways	7,500,256			3,985,865	3,514,391		1.50	2,342,927	31.24%
333.00 Water Wheels, Turbines and Gen.	1,373,867			1,320,802	53,065		1.50	35,377	2.57%
334.00 Accessory Electric Equipment	597,103			573,259	23,844		1.50	15,896	2.66%
335.00 Misc. Power Plant Equipment	435,296			401,018	34,278		1.50	22,852	5.25%
Total Hydraulic Production	\$ 10,258,233		\$ -	\$ 6,617,653	\$ 3,640,581		1.50	\$ 2,427,054	23.66%
OTHER PRODUCTION									
341.00 Structures and Improvements	\$ 20,800,211	-4.0%	\$ (832,008)	\$ 6,592,883	\$ 15,039,336		20.65	\$ 728,297	3.50%
342.00 Fuel Holders and Accessories	1,764,467	-3.6%	(63,521)	1,046,613	781,375		16.04	48,714	2.76%
343.00 Prime Movers	31,712,244	-3.2%	(1,014,792)	16,315,892	16,411,144		16.66	985,063	3.11%
344.00 Generators	467,617,122	-5.3%	(24,783,707)	113,308,193	379,092,637		22.78	16,641,468	3.56%
345.00 Accessory Electric Equipment	38,105,621	-5.1%	(1,943,387)	10,270,443	29,778,565		22.12	1,346,228	3.53%
346.00 Misc. Power Plant Equipment	867,190	-3.7%	(32,086)	209,569	689,707		18.67	36,942	4.26%
Total Other Production	\$ 560,866,856	-5.1%	\$ (28,669,501)	\$ 147,743,593	\$ 441,792,764		22.33	\$ 19,786,712	3.53%
TRANSMISSION PLANT									
353.00 Station Equipment	\$ 162,264,161	-5.0%	\$ (8,113,208)	\$ 28,532,405	\$ 141,844,964	65.00	55.50	\$ 2,555,765	1.58%
354.00 Towers and Fixtures	191,081,948	-10.0%	(19,108,195)	13,936,739	196,253,404	75.00	70.54	2,782,158	1.46%
355.00 Poles and Fixtures	147,132,677	-50.0%	(73,566,338)	57,303,246	163,395,769	75.00	59.83	2,731,001	1.86%
356.00 Overhead Conductors and Devices	171,989,284	-30.0%	(51,596,785)	48,109,709	175,476,360	75.00	64.91	2,703,379	1.57%
358.00 Underground Conductors and Devices	77,461	-5.0%	(3,873)	75,223	6,111	50.00	13.70	446	0.58%
Total Transmission Plant	\$ 672,545,530	-22.7%	\$ (152,388,399)	\$ 147,957,321	\$ 676,976,608		62.84	\$ 10,772,749	1.60%

OTTER TAIL POWER COMPANY
Summary of Annual Depreciation Accruals for 2021

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=B*C	E	F=B-D-E	G	H	I=F/H	J=I/B
DISTRIBUTION PLANT									
362.00 Station Equipment	\$ 89,667,123	5.0%	\$ 4,483,356	\$ 25,379,633	\$ 59,804,134	43.00	34.85	\$ 1,716,044	1.91%
364.00 Poles, Towers and Fixtures	79,123,058	-100.0%	(79,123,058)	47,403,278	110,842,837	70.00	48.52	2,284,477	2.89%
365.00 Overhead Conductors and Devices	56,852,617	-75.0%	(42,639,462)	43,702,490	55,789,589	65.00	42.96	1,298,640	2.28%
367.00 Underground Conductors and Devices	92,508,809	-5.0%	(4,625,440)	41,498,126	55,636,124	45.00	29.04	1,915,844	2.07%
368.00 Line Transformers	112,721,811	30.0%	33,816,543	18,906,759	59,998,509	43.00	30.77	1,949,903	1.73%
369.00 Overhead Services	13,652,260	-200.0%	(27,304,521)	17,312,730	23,644,051	55.00	29.87	791,565	5.80%
369.10 Underground Services	46,383,443	-20.0%	(9,276,689)	21,334,138	34,325,994	50.00	33.20	1,033,915	2.23%
370.00 Meters	27,268,533			9,454,127	17,814,405	28.00	19.51	913,091	3.35%
370.05 Smart Meters	921,313			86,696	834,616		18.57	44,944	4.88%
370.10 Load Management Switches	8,899,439			8,687,370	212,069	15.00	2.17	97,728	1.10%
370.20 Interruption Monitors*	(0)			0	(0)				
371.10 Electric Vehicle Charging Station									
371.20 Other Private Lighting	7,107,183			598,168	6,509,015	25.00	24.46	266,109	3.74%
373.00 Street Lighting and Signal Systems	9,509,826	-5.0%	(475,491)	2,220,909	7,764,408	22.00	16.60	467,735	4.92%
Total Distribution Plant	\$ 544,615,415	-23.0%	\$ (125,144,762)	\$ 236,584,425	\$ 433,175,751		33.89	\$ 12,779,996	2.35%
GENERAL PLANT									
390.00 Structures and Improvements	\$ 20,656,074	5.0%	\$ 1,032,804	\$ 6,875,706	\$ 12,747,564	50.00	33.37	\$ 382,007	1.85%
390.10 General Office Buildings	6,379,788	44.7%	2,851,765	2,521,536	1,006,487	2040	19.95	50,450	0.79%
390.20 Fleet Service Center Buildings	3,133,344	68.0%	2,130,674	638,632	364,038	2045	24.68	14,750	0.47%
390.25 Fleet Service Center Buildings									
390.30 Central Stores Building	4,276,593	76.2%	3,258,764	1,576,198	(558,369)	2045	24.61	(22,689)	-0.53%
391.00 Office Furniture*	703,063			469,720	233,343	15.00	5.80	40,232	5.72%
391.10 Office Equipment*	374,681			260,618	114,063	10.00	3.64	31,336	8.36%
391.20 Duplicating Equipment*	239,837			126,895	112,942	10.00	4.89	23,097	9.63%
391.50 Computer Systems*	3,706,467			2,147,243	1,559,224	5.00	2.34	666,335	17.98%
391.60 Computer Related Equipment*	2,075,789			780,871	1,294,919	5.00	2.12	610,811	29.43%
394.00 Tools, Shop and Garage Equipment*	4,147,732			2,255,422	1,892,310	15.00	7.19	263,186	6.35%
394.20 Automated Meter Reading Equipment*	950,669			589,508	361,161	15.00	6.32	57,146	6.01%
396.00 Power Operated Equipment	1,430,267	5.0%	71,513	222,201	1,136,553	23.00	20.12	56,489	3.95%
397.00 Communication Equipment*	2,965,064			940,475	2,024,589	15.00	10.78	187,810	6.33%
397.10 Radio Telecommunications Equipment*	693,083			627,260	65,824	10.00	1.46	45,085	6.50%
397.20 Microwave Equipment*	3,276,047			1,669,432	1,606,616	15.00	8.11	198,103	6.05%
397.30 Radio Load Control Equipment*	459,343			334,053	125,290	10.00	3.03	41,350	9.00%
397.40 Communication Equipment - Towers	1,877,722	-5.0%	(93,886)	999,461	972,148	50.00	31.31	31,049	1.65%
Total General Plant	\$ 57,345,564	16.1%	\$ 9,251,634	\$ 23,035,231	\$ 25,058,699		9.36	\$ 2,676,546	4.67%
TOTAL DEPRECIABLE PLANT	\$ 2,451,218,715	-14.0%	\$ (342,537,979)	\$ 855,220,686	\$ 1,938,536,008		28.34	\$ 68,397,465	2.79%

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

**OTTER TAIL POWER COMPANY
2022 ANNUAL REVIEW OF DEPRECIATION CERTIFICATION
PROPOSED REMAINING LIVES & SALVAGE %'s FOR USE IN 2022**

<u>Account</u>	<u>Class of Utility Plant</u>	<u>Remaining</u> <u>Life (Yrs) per</u> <u>Depr Study</u> <u>(books dated</u> <u>12/31/2021)</u>	<u>Remaining</u> <u>Life (Yrs) for</u> <u>2023 Depr</u> <u>Rate</u> <u>Calculation</u>	<u>Net Salvage</u> <u>(%)</u>	<u>Amortization</u> <u>Period (Yrs)</u>
INTANGIBLES					
303.91	Software: 5-year Amortization Period	1.49			5
303.92	Software: 10-year Amortization Period	7.93			10
STEAM PRODUCTION					
<u>Big Stone Plant</u>					
311-101	Structures & Improvements	23.73	22.73	-5.7%	
312-101	Boiler Plant Equipment	23.73	22.73	-5.7%	
314-101	Turbogenerator Units	23.71	22.71	-5.7%	
315-101	Accessory Electric Equipment	23.72	22.72	-5.7%	
316-101	Misc. Power Plant Equipment	23.72	22.72	-5.7%	
<u>Hoot Lake Plant - Units 2 & 3</u>					
312.1-102	Boiler Plant Equipment	28.39	27.39	0.0%	
<u>Coyote Station</u>					
311-103	Structures & Improvements	18.98	17.98	-8.7%	
312-103	Boiler Plant Equipment	18.99	17.99	-8.7%	
314-103	Turbogenerator Units	19.00	18.00	-8.7%	
315-103	Accessory Electric Equipment	18.99	17.99	-8.7%	
316-103	Misc. Power Plant Equipment	19.01	18.01	-8.7%	
HYDRAULIC PRODUCTION					
<u>Hoot Lake Hydro Unit</u>					
331-131	Structures & Improvements	38.03	37.03	0.0%	
332-131	Reservoirs, Dams & Waterways	38.16	37.16	0.0%	
333-131	Water Wheels, Turbines & Gen.	38.23	37.23	0.0%	
334-131	Accessory Electric Equipment	38.44	37.44	0.0%	
335-131	Misc. Power Plant Equipment	38.40	37.40	0.0%	
<u>Wright Hydro Unit</u>					
331-132	Structures & Improvements	38.22	37.22	0.0%	
332-132	Reservoirs, Dams & Waterways	38.37	37.37	0.0%	
333-132	Water Wheels, Turbines & Gen.	38.39	37.39	0.0%	
334-132	Accessory Electric Equipment	38.35	37.35	0.0%	
335-132	Misc. Power Plant Equipment	38.36	37.36	0.0%	
<u>Pisgah Hydro Unit</u>					
331-133	Structures & Improvements	38.18	37.18	0.0%	
332-133	Reservoirs, Dams & Waterways	38.43	37.43	0.0%	
333-133	Water Wheels, Turbines & Gen.	38.35	37.35	0.0%	
334-133	Accessory Electric Equipment	38.35	37.35	0.0%	
335-133	Misc. Power Plant Equipment	38.40	37.40	0.0%	
<u>Dayton Hollow Hydro Unit</u>					
331-134	Structures & Improvements	38.39	37.39	0.0%	
332-134	Reservoirs, Dams & Waterways	38.40	37.40	0.0%	
333-134	Water Wheels, Turbines & Gen.	38.36	37.36	0.0%	
334-134	Accessory Electric Equipment	38.32	37.32	0.0%	
335-134	Misc. Power Plant Equipment	38.40	37.40	0.0%	
<u>Taplin Gorge Hydro Unit</u>					
331-135	Structures & Improvements	37.95	36.95	0.0%	
332-135	Reservoirs, Dams & Waterways	38.29	37.29	0.0%	
333-135	Water Wheels, Turbines & Gen.	37.91	36.91	0.0%	
334-135	Accessory Electric Equipment	38.30	37.30	0.0%	
335-135	Misc. Power Plant Equipment	38.37	37.37	0.0%	

**OTTER TAIL POWER COMPANY
2022 ANNUAL REVIEW OF DEPRECIATION CERTIFICATION
PROPOSED REMAINING LIVES & SALVAGE %'s FOR USE IN 2022**

<u>Account</u>	<u>Class of Utility Plant</u>	<u>Remaining</u> <u>Life (Yrs) per</u> <u>Depr Study</u> <u>(books dated</u> <u>12/31/2021)</u>	<u>Remaining</u> <u>Life (Yrs) for</u> <u>2023 Depr</u> <u>Rate</u> <u>Calculation</u>	<u>Net Salvage</u> <u>(%)</u>	<u>Amortization</u> <u>Period (Yrs)</u>
OTHER PRODUCTION					
<u>Jamestown Unit 1</u>					
341-140	Structures & Improvements	11.32	10.32	-5.8%	
342-140	Fuel Holders & Accessories	11.33	10.33	-5.8%	
343-140	Prime Movers	11.32	10.32	-5.8%	
345-140	Accessory Electric Equipment	11.31	10.31	-5.8%	
346-140	Misc. Power Plant Equipment	11.33	10.33	-5.8%	
<u>Jamestown Unit 2</u>					
341-142	Structures & Improvements	11.33	10.33	-5.8%	
342-142	Fuel Holders & Accessories	11.32	10.32	-5.8%	
343-142	Prime Movers	11.32	10.32	-5.8%	
345-142	Accessory Electric Equipment	11.33	10.33	-5.8%	
346-142	Misc. Power Plant Equipment	11.32	10.32	-5.8%	
<u>Lake Preston</u>					
341-141	Structures & Improvements	11.32	10.32	-6.9%	
342-141	Fuel Holders & Accessories	11.32	10.32	-6.9%	
343-141	Prime Movers	11.32	10.32	-6.9%	
345-141	Accessory Electric Equipment	11.32	10.32	-6.9%	
346-141	Misc. Power Plant Equipment	11.32	10.32	-6.9%	
<u>Fergus Falls Control Center</u>					
343-143	Prime Movers	8.40	7.40	-5.0%	
<u>Solway Combustion Turbine Plant</u>					
341-144	Structures & Improvements	16.15	15.15	-1.6%	
342-144	Fuel Holders & Accessories	16.15	15.15	-1.6%	
343-144	Prime Movers	16.15	15.15	-1.6%	
345-144	Accessory Electric Equipment	16.14	15.14	-1.6%	
346-144	Misc. Power Plant Equipment	16.15	15.15	-1.6%	
<u>Astoria Station</u>					
341-145	Structures & Improvements	33.01	32.01	-1.7%	
342-145	Fuel Holders & Accessories	33.01	32.01	-1.7%	
343-145	Prime Movers	33.01	32.01	-1.7%	
345-145	Accessory Electric Equipment	33.01	32.01	-1.7%	
346-145	Misc. Power Plant Equipment	33.01	32.01	-1.7%	
<u>Langdon Wind Energy Center</u>					
341-160	Structures & Improvements	19.96	18.96	-4.9%	
344-160	Generators	19.96	18.96	-4.9%	
345-160	Accessory Electric Equipment	19.96	18.96	-4.9%	
346-160	Misc. Power Plant Equipment	19.97	18.97	-4.9%	
<u>Ashtabula Wind Energy Center</u>					
341-161	Structures & Improvements	20.90	19.90	-4.2%	
344-161	Generators	20.90	19.90	-4.2%	
345-161	Accessory Electric Equipment	20.90	19.90	-4.2%	
346-161	Misc. Power Plant Equipment	20.92	19.92	-4.2%	
<u>Luverne Wind Energy Center</u>					
341-162	Structures & Improvements	21.85	20.85	-7.0%	
344-162	Generators	21.85	20.85	-7.0%	
345-162	Accessory Electric Equipment	21.85	20.85	-7.0%	
346-162	Misc. Power Plant Equipment	21.86	20.86	-7.0%	
<u>Merricourt Wind Energy Center</u>					
341-163	Structures & Improvements	32.09	31.09	-5.0%	
344-163	Generators	32.09	31.09	-5.0%	
345-163	Accessory Electric Equipment	32.09	31.09	-5.0%	
346-163	Misc. Power Plant Equipment	32.09	31.09	-5.0%	

OTTER TAIL POWER COMPANY
2022 ANNUAL REVIEW OF DEPRECIATION CERTIFICATION
PROPOSED REMAINING LIVES & SALVAGE %'s FOR USE IN 2022

<u>Account</u>		<u>Remaining</u>	<u>Remaining</u>		
<u>Number</u>	<u>Class of Utility Plant</u>	<u>Life (Yrs) per</u>	<u>Life (Yrs) for</u>	<u>Net Salvage</u>	<u>Amortization</u>
		<u>Depr Study</u>	<u>2023 Depr</u>	<u>Rate</u>	<u>Period (Yrs)</u>
		<u>(books dated</u>	<u>Rate</u>	<u>(%)</u>	
		<u>12/31/2021)</u>	<u>Calculation</u>		
	<u>Hoot Lake Solar</u>				
341-165	Structures & Improvements		35.50	8.1%	
343-165	Prime Movers		35.50	8.1%	
345-165	Accessory Electric Equipment		35.50	8.1%	
346-165	Misc. Power Plant Equipment		35.50	8.1%	
	<u>MN Small Solar</u>				
341-166	Structures & Improvements	22.81	21.81	-1.0%	
343-166	Prime Movers	22.81	21.81	-1.0%	
345-166	Accessory Electric Equipment	22.81	21.81	-1.0%	
346-166	Misc. Power Plant Equipment	22.81	21.81	-1.0%	
	<u>ND Small Solar</u>				
341-167	Structures & Improvements	21.86	20.86	-1.0%	
343-167	Prime Movers	21.86	20.86	-1.0%	
345-167	Accessory Electric Equipment	21.86	20.86	-1.0%	
346-167	Misc. Power Plant Equipment	21.86	20.86	-1.0%	
	<u>SD Small Solar</u>				
341-168	Structures & Improvements		25.50	-1.0%	
343-168	Prime Movers		25.50	-1.0%	
345-168	Accessory Electric Equipment		25.50	-1.0%	
346-168	Misc. Power Plant Equipment		25.50	-1.0%	
TRANSMISSION					
353	Station Equipment	56.01	56.01	-5.0%	
354	Towers & Fixtures	69.13	69.13	-10.0%	
355	Poles & Fixtures	60.85	60.85	-50.0%	
356	Overhead Conductor & Devices	62.71	62.71	-30.0%	
358	Underground Conductor & Devices	20.67	20.67	-5.0%	
DISTRIBUTION					
362	Station Equipment	34.46	34.46	5.0%	
364	Poles, Towers & Fixtures	48.12	48.12	-100.0%	
365	Overhead Conductor & Devices	43.06	43.06	-75.0%	
367	Underground Conductor & Devices	29.62	29.62	-5.0%	
368	Line Transformers	30.53	30.53	30.0%	
369	Overhead Services	28.93	28.93	-200.0%	
369.1	Underground Services	32.56	32.56	-200.0%	
370	Meters	19.09	19.09		
370.05	Smart Meters	16.57	16.57		
370.1	Load Management Switches	1.42	1.42		
370.20	Interruption Monitors				5
371.10	Electric Vehicle (EV) Charging Stations	7.50	10.00		10
371.20	Other Private Lighting	24.52	24.52		
373	Street Lighting & Signal System	18.51	18.51	-5.0%	
	Utility Vehicle Charging Statons				
GENERAL PLANT					
Depreciable					
390	Structures & Improvements	32.44	32.44	5.0%	
390.1	General Office Buildings	18.05	17.05	43.1%	
390.20	Fleet Service Center Buildings - Fergus Falls	22.76	12.02	55.6%	
390.25	Fleet Service Center Buildings - Jamestown	53.34	52.34	50.0%	
390.3	Central Stores Building	22.74	21.74	75.8%	
396	Power Operated Equipment	19.69	19.69	5.0%	
397.4	Communication Towers	29.74	29.74	-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
ANNUAL REVIEW OF DEPRECIATION CERTIFICATION
Supplemental Comments**

Future Additions and Retirements

As indicated in the 2022 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 additional major future additions or retirements that will materially affect this filing’s certification results. Future year major additions or retirements will affect future depreciation certification results, historic additions and retirements primarily affect this filing depreciation certification results due to the look back, or historic review back to books dated December 31st of the prior year.

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 provided a synopsis of these types of projects.

What follows are updates on current projects or projects being considered. Otter Tail is working on utilizing its Hoot Lake Plant MISO Transmission interconnection capabilities with the development and construction of the 49.9 MW Hoot Lake Solar project. Hoot Lake Solar is anticipated to be in service in Q3 2023 and will help meet our compliance obligations under the Minnesota solar energy standard.

Otter Tail is working on exercising its purchase option of its 25-year term purchase power agreement of the 62.4 MW Ashtabula III wind farm. Otter Tail is planning that the transaction would likely be completed in early 2023.

In Otter Tail’s Integrated Resource Plan (Docket No. E017/RP-21-339) filed contemporaneously with this filing, Otter Tail proposes the addition of 150 MW of solar generation, with an anticipated in-service date in 2025, and the addition of dual fuel capability at Astoria Station, with an anticipated in-service date in 2026. Otter Tail also sought authority to commence the process of withdrawing from its 35 percent ownership interest in Coyote Station with that process planned to be completed by the end of 2028.

Additionally, Otter Tail will continue investing in renewing its existing asset mix and continue to make additional investments in Transmission, Distribution, and Solar applications. Otter Tail will likely explore participation in future MISO Long-Range Transmission Planning projects with ties to our service territory.

OTTER TAIL POWER COMPANY
2022 ANNUAL REVIEW OF DEPRECIATION CERTIFICATION
Comparison of Resource Plan and Depreciation Filing Retirement Dates

Generating Unit	Retirement Dates			Comments
	Resource Plan 2017 - 2031	2022 Depreciation Study (Attachment No. 1)	Difference	
BASE LOAD				
➤ 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-2042	9 years, 6 months (outside of IRP study period)	The Langdon Wind Energy Center has an Average Year of Final Retirement (AYFR) of 2042. 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, 2042 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. The Langdon Wind Energy Centers estimated average service life was extended by 10 years in Otter Tails 2020 depreciation filing (Docket No. E017/D-20-703).
➤ Ashtabula Wind Energy Center	Dec-2033	Jun-2043	9 years, 6 months (outside of IRP study period)	The Ashtabula Wind Energy Center has an Average Year of Final Retirement (AYFR) of 2043. 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, 2043 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. The Ashtabula Wind Energy Centers estimated average service life was extended by 10 years in Otter Tails 2020 depreciation filing (Docket No. E017/D-20-703).
➤ Luverne Wind Energy Center	Dec-2034	Jun-2044	9 years, 6 months (outside of IRP study period)	The Luverne Wind Energy Center has an Average Year of Final Retirement (AYFR) of 2043. 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, 2044 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. The Luverne Wind Energy Centers estimated average service life was extended by 10 years in Otter Tails 2020 depreciation filing (Docket No. E017/D-20-703).
➤ Merricourt Wind Energy Center	N/A	Jun-2055	N/A	The Merricourt Wind Energy Center (MWEC) has an Average Year of Final Retirement (AYFR) of 2055. 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, 2055 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-2062	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 the end of the current active FERC hydro operating license. This is the latest date these facilities can operate as generation resources until a new hydro license is granted. OTP received approval of its 40 year FERC Hydro license in February 2022. Therefore the depreciation study utilizing the midyear convention establishes June 2062 as its retirement date.
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	The 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.
➤ Astoria Station	Dec-56	Jun-2056	6 months (outside of IRP study period)	2016 resource plan modeled as New Thermal Alternative with a thirty five year operating life. Depreciation study assumes an initial average service life of 35 years and utilizes the mid-year convention.

Note:

Otter Tail's most recently approved IRP was filed under Docket No. E07-RP-16-386. In the RP, 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 a more 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 of the two filings.

CERTIFICATE OF SERVICE

**RE: In the Matter of Otter Tail Power Company's Petition for Approval
of its 2022 Annual Review of Depreciation Certification
Docket No. E017/D-22-**

I, Kim Ward, hereby certify that I have this day served a copy of the following, or a summary thereof, on Will Seuffert 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: September 1, 2022

/s/ KIM WARD

Kim Ward
Lead Regulatory Filing Coordinator
Otter Tail Power Company
215 South Cascade Street
Fergus Falls MN 56537
(218) 739-8268

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Andrew	Moratzka	andrew.moratzka@stoel.com	Steel Rives LLP	33 South Sixth St Ste 4200 Minneapolis, MN 55402	Electronic Service	No	GEN_SL_Otter Tail Power Company_Otter Tail Power Company_2022 Depreciation Annual Review
Matthew	Olsen	molsen@otpc.com	Otter Tail Power Company	215 South Cascade Street Fergus Falls, MN 56537	Electronic Service	No	GEN_SL_Otter Tail Power Company_Otter Tail Power Company_2022 Depreciation Annual Review
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	No	GEN_SL_Otter Tail Power Company_Otter Tail Power Company_2022 Depreciation Annual Review
Will	Seuffert	Will.Seuffert@state.mn.us	Public Utilities Commission	121 7th PI E Ste 350 Saint Paul, MN 55101	Electronic Service	No	GEN_SL_Otter Tail Power Company_Otter Tail Power Company_2022 Depreciation Annual Review
Cary	Stephenson	cStephenson@otpc.com	Otter Tail Power Company	215 South Cascade Street Fergus Falls, MN 56537	Electronic Service	No	GEN_SL_Otter Tail Power Company_Otter Tail Power Company_2022 Depreciation Annual Review
Stuart	Tommerdahl	stommerdahl@otpc.com	Otter Tail Power Company	215 S Cascade St PO Box 496 Fergus Falls, MN 56537	Electronic Service	No	GEN_SL_Otter Tail Power Company_Otter Tail Power Company_2022 Depreciation Annual Review

**Otter Tail Power Company's
2022 Minnesota Annual Review of
Depreciation Certification Filing
Compliance Filing**

Minnesota Docket No. E017/D-22-483

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

January 31, 2023



Will Seuffert
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
2022 Annual Review of Depreciation Certification
Docket No. E017/D-22-483
Compliance Filing**

Dear Mr. Seuffert:

Otter Tail Power Company (Otter Tail) hereby submits to the Minnesota Public Utilities Commission its Compliance Filing regarding the actual depreciation rate calculations for use in calendar year 2023 as referenced in the above docket. The subsequent five pages contain Otter Tail's 2023 calculated depreciation rates for the FERC accounts identified in its 2022 depreciation filing. Attachment 1 contains the Excel spreadsheet calculation source document.

Also included in this Compliance Filing, are the calculated depreciation rates for the Ashtabula III wind farm. The Commission approved Otter Tail's inclusion of Ashtabula III in its renewable resource recovery rider in Docket No. E-017/M-21-830 by its Order dated July 12, 2022. Otter Tail's renewable rider filing utilized depreciation parameters for Ashtabula III that have been applied at Otter Tail's other wind farms. The Commission's approval was contingent upon it later approving Otter Tail's acquisition of Ashtabula III in Docket No. E-017/PA-21-793, which the Commission did by its Order dated October 24, 2022. Otter Tail completed its acquisition of Ashtabula III on January 3, 2023. Ashtabula III will again be reviewed in our 2023 5-year depreciation filing.

Mr. Seuffert
January 31, 2023
Page 2

Otter Tail electronically filed this document with the Commission which, in compliance with Minn. Rule 7829.1300, subp. 2, also constitutes service on the Department of Commerce, Division of Energy Resources, and the Office of Attorney General-Residential Utilities Division. 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

lcd
Enclosures
By electronic filing
c: Service List

Accounting Circular 127
Supplement B
Effective: January 1, 2023

2023
PROPERTY DEPRECIATION RATES

FERC Account Reference	Description	Forecast Retirement Year	Average Service Life (Yrs)	Remaining Life (Yrs) (Composite)	Amortize Period	Salvage Percent	Deprec. Rate Percent
	INTANGIBLE - SOFTWARE						
303.91	Computer Software				5		20.0000%
303.92	Computer Software				10		10.0000%
	Composite - Software						11.4308%
	PRODUCTION - STEAM						
	Big Stone Plant	2046					
311-101	Structures & Improvements		34.53	22.73		-5.70%	2.7798%
312-101	Boiler Plant Equipment		32.49	22.73		-5.70%	3.4915%
314-101	Turbo-Generator Units		41.54	22.71		-5.70%	1.7352%
315-101	Accessory Electrical Equip.		36.64	22.72		-5.70%	2.5143%
316-101	Misc. Power Plant Equipment		37.20	22.72		-5.70%	2.7085%
	Composite plant rate		33.93	22.73		-5.70%	3.0895%
	Hoot Lake Plant						
312.1-102	Boiler Plant Equipment (ash landfill)	2051	35.95	27.39		0.00%	2.2353%
	Coyote Station	2041					
311-103	Structures & Improvements		49.34	17.98		-8.70%	1.6803%
312-103	Boiler Plant Equipment		39.67	17.99		-8.70%	2.4232%
314-103	Turbo-Generator Units		37.37	18.00		-8.70%	2.5790%
315-103	Accessory Electrical Equip.		46.52	17.99		-8.70%	1.7992%
316-103	Misc. Power Plant Equipment		32.61	18.01		-8.70%	3.6981%
	Composite plant rate		41.14	17.99		-8.70%	2.2756%
	Composite Steam rate		36.14	21.40		-6.60%	2.5105%
	PRODUCTION - HYDRO						
	Hoot Lake Hydro	2062					
331-131	Structures & Improvements		98.19	37.03		0.00%	0.0252%
332-131	Reservoir, Dams & Waterways		81.38	37.16		0.00%	1.5713%
333-131	Water Wheels, Turbines & Gen.		72.82	37.23		0.00%	0.0295%
334-131	Accessory Electrical Equipment		40.11	37.44		0.00%	2.4352%
335-131	Misc. Power Plant Equipment		46.99	37.40		0.00%	0.2296%
	Composite plant rate		53.02	37.35		0.00%	1.6575%
	Wright Dam Hydro	2062					
331-132	Structures & Improvements		72.98	37.22		0.00%	0.1990%
332-132	Reservoir, Dams & Waterways		51.67	37.37		0.00%	0.2068%
333-132	Water Wheels, Turbines & Gen.		48.95	37.39		0.00%	0.0767%
334-132	Accessory Electrical Equip.		55.22	37.35		0.00%	0.1116%
335-132	Misc. Power Plant Equipment		53.11	37.36		0.00%	0.1662%
	Composite plant rate		51.42	37.37		0.00%	0.1533%
	Pisgah Hydro	2062					
331-133	Structures & Improvements		78.77	37.18		0.00%	0.2601%
332-133	Reservoir, Dams & Waterways		41.28	37.43		0.00%	3.2473%
333-133	Water Wheels, Turbines & Gen.		54.16	37.35		0.00%	0.1361%
334-133	Accessory Electrical Equip.		54.01	37.35		0.00%	0.1281%
335-133	Misc. Power Plant Equipment		46.99	37.40		0.00%	0.2411%
	Composite plant rate		42.22	37.42		0.00%	2.8203%

Accounting Circular 127
Supplement B
Effective: January 1, 2023

2023
PROPERTY DEPRECIATION RATES

FERC Account Reference	Description	Forecast Retirement Year	Average Service Life (Yrs)	Remaining Life (Yrs) (Composite)	Amortize Period	Salvage Percent	Deprec. Rate Percent
	Dayton Hollow Hydro	2062					
331-134	Structures & Improvements		47.97	37.39		0.00%	2.7271%
332-134	Reservoir, Dams & Waterways		46.63	37.40		0.00%	1.3484%
333-134	Water Wheels, Turbines & Gen.		53.08	37.36		0.00%	0.1341%
334-134	Accessory Electrical Equip.		59.65	37.32		0.00%	0.0933%
335-134	Misc. Power Plant Equipment		47.05	37.40		0.00%	0.2228%
	Composite plant rate		17.96	37.39		0.00%	1.2091%
	Taplin Gorge Hydro	2062					
331-135	Structures & Improvements		108.74	36.95		0.00%	0.0187%
332-135	Reservoir, Dams & Waterways		62.31	37.29		0.00%	0.1272%
333-135	Water Wheels, Turbines & Gen.		113.50	36.91		0.00%	0.0162%
334-135	Accessory Electrical Equip.		62.95	37.30		0.00%	0.0817%
335-135	Misc. Power Plant Equipment		51.46	37.37		0.00%	0.1725%
	Composite plant rate		62.47	37.29		0.00%	0.1225%
	Composite Hydro rate		47.68	37.36		0.00%	1.4004%
	PRODUCTION - OTHER						
	Jamestown Peaking Plant - Unit 1	2033					
341-140	Structures & Improvements		35.84	10.32		-5.80%	1.9979%
342-140	Fuel Holders & Access.		28.29	10.33		-5.80%	3.0443%
343-140	Prime Movers		38.01	10.32		-5.80%	1.9731%
345-140	Accessory Electrical Equip.		56.26	10.31		-5.80%	1.7847%
346-140	Misc. Power Plant Equipment		22.39	10.33		-5.80%	3.7040%
	Composite plant rate		36.55	10.32		-5.80%	2.1082%
	Lake Preston Peaking Plant	2033					
341-141	Structures & Improvements		42.23	10.32		-6.90%	3.3876%
342-141	Fuel Holders & Access.		39.90	10.32		-6.90%	1.7515%
343-141	Prime Movers		43.23	10.32		-6.90%	1.5752%
345-141	Accessory Electrical Equip.		42.22	10.32		-6.90%	1.6431%
346-141	Misc. Power Plant Equipment		48.73	10.32		-6.90%	0.9850%
	Composite plant rate		42.83	10.32		-6.90%	1.7148%
	Jamestown Peaking Plant - Unit 2	2033					
341-142	Structures & Improvements		27.68	10.33		-5.80%	3.0824%
342-142	Fuel Holders & Access.		30.87	10.32		-5.80%	1.3727%
343-142	Prime Movers		43.33	10.32		-5.80%	1.5008%
345-142	Accessory Electrical Equip.		21.28	10.33		-5.80%	4.3180%
346-142	Misc. Power Plant Equipment		45.87	10.32		-5.80%	-0.1957%
	Composite plant rate		42.25	10.32		-5.80%	1.5582%
	Solway Combustion Turbine	2038					
341-144	Structures & Improvements		31.22	15.15		-1.60%	3.2377%
342-144	Fuel Holders & Access.		31.18	15.15		-1.60%	3.8584%
343-144	Prime Movers		30.09	15.15		-1.60%	3.9508%
345-144	Accessory Electrical Equip.		32.36	15.14		-1.60%	3.1979%
346-144	Misc. Power Plant Equipment		29.76	15.15		-1.60%	3.4646%
	Composite plant rate		30.41	15.15		-1.60%	3.7858%

Accounting Circular 127
Supplement B
Effective: January 1, 2023

2023
PROPERTY DEPRECIATION RATES

FERC Account Reference	Description	Forecast Retirement Year	Average Service Life (Yrs)	Remaining Life (Yrs) (Composite)	Amortize Period	Salvage Percent	Deprec. Rate Percent
	Astoria Station Combustion Turbine	2056					
341-145	Structures & Improvements		33.47	32.01		-1.70%	3.0218%
342-145	Fuel Holders & Access.		33.47	32.01		-1.70%	3.0218%
343-145	Prime Movers		33.47	32.01		-1.70%	3.0218%
345-145	Accessory Electrical Equip.		33.47	32.01		-1.70%	3.0218%
346-145	Misc. Power Plant Equipment		33.47	32.01		-1.70%	3.0218%
	Composite plant rate		33.47	32.01		-1.70%	3.0218%
	Composite peaker rate		33.34	28.81		-1.98%	3.0565%
	Langdon Wind Energy Center	2042					
341-160	Structures & Improvements		33.73	18.96		-4.90%	2.5065%
344-160	Generators		32.97	18.96		-4.90%	2.6582%
345-160	Accessory Electrical Equip.		33.28	18.96		-4.90%	2.5511%
346-160	Misc. Power Plant Equipment		23.08	18.97		-4.90%	5.8653%
	Composite plant rate		32.99	18.96		-4.90%	2.6483%
	Ashtabula Wind Energy Center	2043					
341-161	Structures & Improvements		33.70	19.90		-4.20%	2.5430%
344-161	Generators		33.24	19.90		-4.20%	2.6624%
345-161	Accessory Electrical Equip.		33.38	19.90		-4.20%	2.5799%
346-161	Misc. Power Plant Equipment		22.87	19.92		-4.20%	5.5351%
	Composite plant rate		33.24	19.90		-4.20%	2.6571%
	Luverne Wind Energy Center	2044					
341-162	Structures & Improvements		33.66	20.85		-7.00%	2.6885%
344-162	Generators		32.77	20.85		-7.00%	2.9207%
345-162	Accessory Electrical Equip.		33.66	20.85		-7.00%	2.6896%
346-162	Misc. Power Plant Equipment		24.87	20.86		-7.00%	5.2426%
	Composite plant rate		32.83	20.85		-7.00%	2.9037%
	Merricourt Wind Energy Center	2055					
341-163	Structures & Improvements		33.47	31.09		-5.00%	3.1751%
344-163	Generators		33.47	31.09		-5.00%	3.1751%
345-163	Accessory Electrical Equip.		33.47	31.09		-5.00%	3.1751%
346-163	Misc. Power Plant Equipment		33.47	31.09		-5.00%	3.3421%
	Composite plant rate		33.47	31.09		-5.00%	3.1751%
	Ashtabula III Wind Energy Center	2048					
341-164	Structures & Improvements		25.50	25.50		-5.00%	2.7216%
344-164	Generators		25.50	25.50		-5.00%	2.7216%
345-164	Accessory Electrical Equip.		25.50	25.50		-5.00%	2.7216%
346-164	Misc. Power Plant Equipment		25.50	25.50		-5.00%	2.7216%
	Composite plant rate		25.50	25.50		-5.00%	2.7216%
	Composite wind rate	2046	33.26	26.32		-5.10%	2.9436%
	Hoot Lake Solar	2058					
341-165	Structures & Improvements		35.50	35.50		8.10%	2.5887%
343-165	Prime Movers		35.50	35.50		8.10%	2.5887%
345-165	Accessory Electrical Equip.		35.50	35.50		8.10%	2.5887%
346-165	Misc. Power Plant Equipment		35.50	35.50		8.10%	2.5887%
	Composite plant rate		35.50	35.50		8.10%	2.5887%

Accounting Circular 127
Supplement B
Effective: January 1, 2023

2023
PROPERTY DEPRECIATION RATES

FERC Account Reference	Description	Forecast Retirement Year	Average Service Life (Yrs)	Remaining Life (Yrs) (Composite)	Amortize Period	Salvage Percent	Deprec. Rate Percent
	Minnesota Small Solar						
341-166	Structures & Improvements	2045	24.22	21.81		-1.00%	4.2353%
345-166	Accessory Electrical Equip.		24.22	21.81		-1.00%	4.2353%
	North Dakota Small Solar						
341-167	Structures & Improvements	2044	24.23	20.86		-1.00%	4.3356%
345-167	Accessory Electrical Equip.		24.23	20.86		-1.00%	4.3356%
	South Dakota Small Solar						
341-168	Structures & Improvements		25.50	25.50		0.00%	3.9216%
345-168	Accessory Electrical Equip.		25.50	25.50		0.00%	3.9216%
	Composite Solar	2049	27.98	26.06		-1.00%	4.2874%
	Composite Other Production rate		32.67	19.76		-4.28%	2.9736%
	TRANSMISSION						
353	Station Equipment		65.12	56.01		-5.00%	1.5605%
354	Towers & Equipment		75.00	69.13		-10.00%	1.4500%
355	Poles & Fixtures		75.25	60.85		-50.00%	1.8596%
356	Overhead Conductor & Devices		75.10	62.71		-30.00%	1.6293%
358	Underground Conductor & Devices		51.01	20.67		-5.00%	1.4419%
	Composite Transmission rate		72.43	62.18		-23.20%	1.6169%
	Composite Pole Transmission Line rate		75.18	61.78		-40.00%	1.7391%
	Composite Tower Transmission Line rate		75.05	65.92		-20.00%	1.5369%
	DISTRIBUTION						
362	Station Equipment		43.52	34.46		5.00%	1.9417%
364	Poles, Towers & Fixtures		70.10	48.12		-100.00%	2.9239%
365	Overhead Conductor & Devices		65.24	43.06		-75.00%	2.3273%
367	Underground Conductor & Devices		44.94	29.62		-5.00%	2.2186%
368	Line Transformers		43.01	30.53		30.00%	1.7306%
369	Services		55.42	28.93		-200.00%	5.7877%
369.1	Underground Services		50.16	32.56		-20.00%	2.2501%
370	Meters		29.21	19.09		0.00%	3.2052%
370.05	Meters - Smart		20.00	16.57		0.00%	4.8783%
370.1	Load Management Switches		16.74	1.42		0.00%	0.3878%
370.2	Interruption Monitors		5.00	0.00	5		20.0000%
371.1	Installations on Customer Premise - EV Chargers		10.00	7.50	10	0.00%	10.0000%
371.2	All Other Private Lighting		25.26	24.52		0.00%	3.8656%
373	Street Lighting & Signal Systems		22.17	18.51		-5.00%	4.9294%
	Composite Distribution rate		44.80	30.92		-22.30%	2.3758%

Accounting Circular 127
Supplement B
Effective: January 1, 2023

2023
PROPERTY DEPRECIATION RATES

FERC Account Reference	Description	Forecast Retirement Year	Average Service Life (Yrs)	Remaining Life (Yrs) <u>(Composite)</u>	Amortize Period	Salvage Percent	Deprec. Rate Percent
GENERAL							
390	Structures & Improvements		51.08	32.44		5.00%	1.9122%
390.1	General Office Buildings	2040	36.64	17.05		43.10%	0.9403%
390.20	Fleet Service Center Bldgs. - Fergus Falls	2045	47.56	21.76		55.60%	-0.6646%
390.25	Fleet Service Center Bldgs. - Jamestown	2079	55.51	52.34		50.00%	0.8758%
390.3	Central Stores Buildings	2045	54.93	21.74		75.80%	-0.5329%
391	Office Furniture			5.39	15		6.6667%
391.1	Office Equipment			4.54	10		10.0000%
391.2	Duplicating Equipment			4.18	10		10.0000%
391.5	Computer Systems			2.35	5		20.0000%
391.6	Computer Related Equipment			2.40	5		20.0000%
393	Stores Equipment			0.00	15		6.6667%
394	Tools, Shop & Garage Equipment			6.94	15		6.6667%
394.2	AMR Equipment			5.05	15		6.6667%
395	Laboratory Equipment			0.00	15		6.6667%
396	Power-Operated Equipment		23.46	19.69		5.00%	3.8924%
397	Communication Equipment			10.05	15		6.6667%
397.1	Radio Tele-Communication Equip.			1.00	10		10.0000%
397.2	Microwave Equipment			6.98	15		6.6667%
397.3	Radio Load Control Equipment			4.69	10		10.0000%
397.4	Communication Towers		50.49	29.74		-5.00%	1.6728%
	Composite General rate (excl.392)		17.78	10.00		14.00%	4.7308%

CERTIFICATE OF SERVICE

**RE: In the Matter of Otter Tail Power Company's Petition for Approval of its 2022 Annual Review of Depreciation Certification
Docket No. E017/D-22-483**

I, Laura Dewey, hereby certify that I have this day served a copy of the following, or a summary thereof, on Will Seuffert 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
Compliance Filing**

Dated this **31st** day of **January 2023**.

/s/ LAURA DEWEY _____

Laura Dewey
Regulatory Filing Coordinator
Otter Tail Power Company
215 South Cascade Street
Fergus Falls MN 56537
(218) 739-8604

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Ray	Choquette	rchoquette@agp.com	Ag Processing Inc.	12700 West Dodge Road PO Box 2047 Omaha, NE 68103-2047	Electronic Service	No	OFF_SL_22-483_D-22-483
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_22-483_D-22-483
Brooke	Cooper	bcooper@allete.com	Minnesota Power	30 W Superior St Duluth, MN 558022191	Electronic Service	No	OFF_SL_22-483_D-22-483
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_22-483_D-22-483
James C.	Erickson	jericksonkbc@gmail.com	Kelly Bay Consulting	17 Quechee St Superior, WI 54880-4421	Electronic Service	No	OFF_SL_22-483_D-22-483
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_22-483_D-22-483
Jessica	Fyhrie	jfyhrie@otpc.com	Otter Tail Power Company	PO Box 496 Fergus Falls, MN 56538-0496	Electronic Service	No	OFF_SL_22-483_D-22-483
Adam	Heinen	aheinen@dakotaelectric.com	Dakota Electric Association	4300 220th St W Farmington, MN 55024	Electronic Service	No	OFF_SL_22-483_D-22-483
Nick	Kaneski	nick.kaneski@enbridge.com	Enbridge Energy Company, Inc.	11 East Superior St Ste 125 Duluth, MN 55802	Electronic Service	No	OFF_SL_22-483_D-22-483
James D.	Larson	james.larson@avantenergy.com	Avant Energy Services	220 S 6th St Ste 1300 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_22-483_D-22-483

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Kavita	Maini	kmaini@wi.rr.com	KM Energy Consulting, LLC	961 N Lost Woods Rd Oconomowoc, WI 53066	Electronic Service	No	OFF_SL_22-483_D-22-483
Andrew	Moratzka	andrew.moratzka@stoel.com	Stoel Rives LLP	33 South Sixth St Ste 4200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_22-483_D-22-483
Matthew	Olsen	molsen@otpc.com	Otter Tail Power Company	215 South Cascade Street Fergus Falls, MN 56537	Electronic Service	No	OFF_SL_22-483_D-22-483
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_22-483_D-22-483
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_22-483_D-22-483
Cary	Stephenson	cStephenson@otpc.com	Otter Tail Power Company	215 South Cascade Street Fergus Falls, MN 56537	Electronic Service	No	OFF_SL_22-483_D-22-483
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_22-483_D-22-483