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February 29, 2024

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

**RE: In the Matter of Otter Tail Power Company's Request for Approval of its 2024
Renewable Resource Cost Recovery Adjustment Factor
Case No. PU-23-343
Supplemental Filing**

Dear Mr. Kahl:

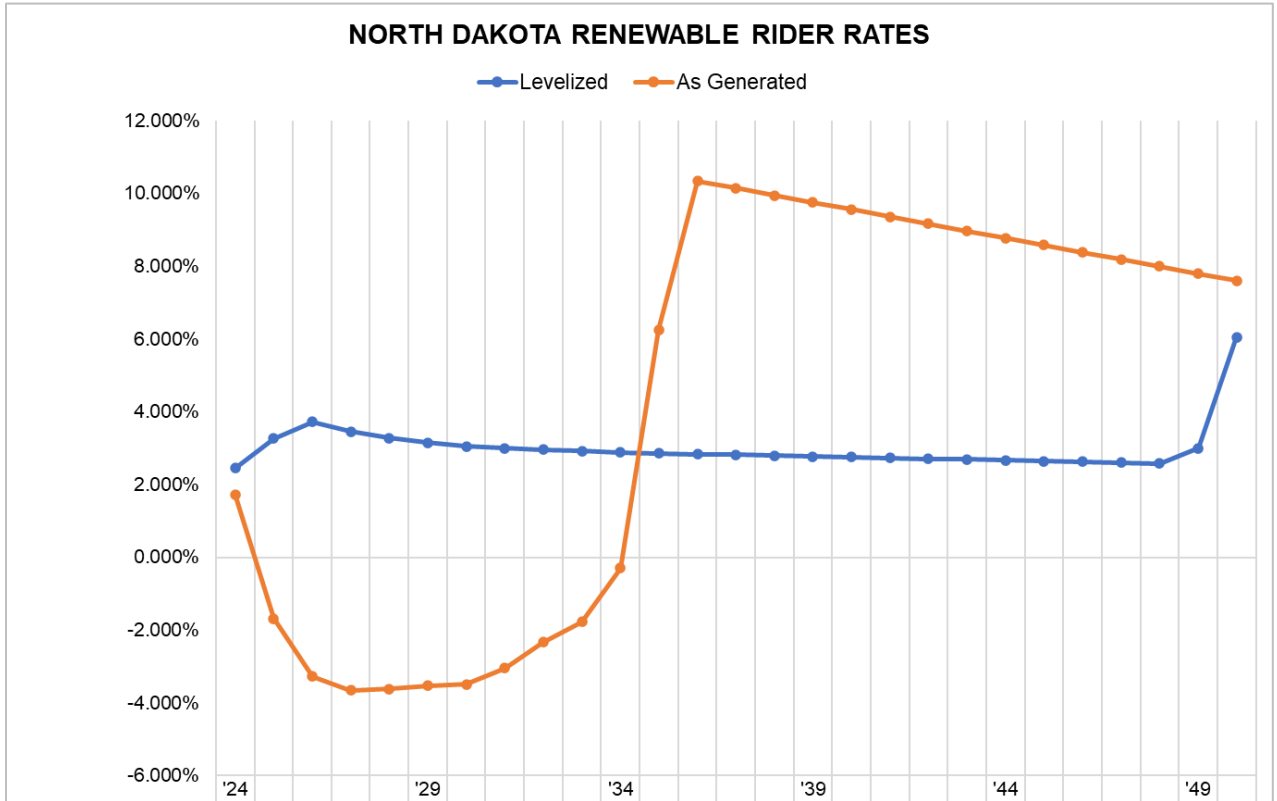
Enclosed for filing in the above-referenced matter are updated attachments to Otter Tail Power Company's (Otter Tail or Company) November 2, 2023 Initial Filing in this case (Initial Filing). This Supplemental Filing is being made in response to a request by ND staff to provide an updated revenue requirement and the associated rate for the Renewable Resource Cost Recovery (RRCR) rider to reflect the full levelization of Production Tax Credits (PTCs) expected to be earned by the Wind Facility Equipment Upgrades (Upgrade Projects) that will repower four of Otter Tail's existing wind farms. Otter Tail also provides brief reply comments to proposals put forth in a letter filed January 12, 2024, by Applied Digital in this case.

In its Initial Filing in this case, Otter Tail proposed that the PTCs for the four Upgrade Projects (Langdon, Ashtabula I, Luverne, and Ashtabula III) be recognized as they are generated for rate making purposes in the RRCR during the first ten years following the upgrades. This method allows customers to receive the full value of the benefit of the PTCs as they are realized by the Company during the ten years the PTCs are earned. This method was consistent with the method that the Commission approved for the treatment of PTCs for the Langdon and Ashtabula I wind farms when they were originally constructed.

In response to ND staff's February 5, 2024 Memo, Otter Tail provides in this filing, a view of the customer impact if the full levelization method is used for PTCs rather than recognizing the PTCs as they are generated. Full levelization, for ratemaking purposes, spreads the estimated tax benefit evenly over the depreciable life of the asset, which is expected to be 25 years for the Upgrade Projects. Otter Tail forecasts the Upgrade Projects will generate approximately \$263.0 million (OTP Total) / \$118.3 million (OTP ND) of PTCs during the first ten years of production, to be applied over the life of the facilities. Fully levelizing this amount over the 25-year life of the

Upgrade Projects, results in an approximately \$10.5 million (OTP Total) / \$4.7 million (OTP ND) tax credit per year, a reduction to tax expenses, each year for 25 years. A comparison between applying PTCs as generated or applying the fully levelized method is shown below in Figure 1.

**Figure 1:
Estimated Annual % of Bill Rates Based on Including
PTCs as Generated vs. Fully Levelized**



Otter Tail has provided an updated tracker to reflect the fully levelized PTCs. The resulting RRCR Factor using the fully levelized PTCs method over the 25-year life of the Upgrade Projects is shown in Revised Attachments 2 through 4 and Revised Attachments 6 through 10 to this Supplemental Filing. Figure 2 shows a rate comparison between this Supplemental Filing and the Initial Filing.

Figure 2: Supplemental Filing vs. Initial Filing

Line No.	Rate Design	Supplemental Filing	Initial Filing	Difference
		April 2024 - March 2025	April 2024 - March 2025	
1	Forecasted Retail Revenue, all classes	\$ 112,457,472	\$ 112,457,472	\$ -
2	Revenue Requirements	\$ 2,753,861	\$ 1,943,515	\$ 810,346
3	Percentage of Revenue Rate	2.449%	1.728%	0.721%

In response to Applied Digital’s January 12, 2024 Letter, Otter Tail believes the North Dakota Public Service Commission (PSC) may approve this filing and such an approval does not preclude the PSC from making decisions in the Rate Case that may impact the RRCR rider. Any decisions made by the PSC in the Rate Case that impact the RRCR rider will be incorporated into the next RRCR rider filing and will become part of the true-up amount. The carrying charge within the rider will be applied to any over or under collections that would be included in any subsequent rate updates.

An electronic copy of this filing is being sent to the North Dakota Public Service Commission at ndpsc@nd.gov. Should you have any questions, please feel free to contact me at (218) 739-8313 or eketelsen@otpc.com.

Sincerely,

/S/ EMILY KETELSEN
Emily Ketelsen
Rates Analyst
Regulatory Economics

sjw
Enclosures
By electronic filing and U.S. mail

OTTER TAIL POWER COMPANY
2024 RRCR SUPPLEMENTAL FILING ATTACHMENTS

Revised Attachment 2	Summary of Revenue Requirements
Revised Attachment 3	Rate Design
Revised Attachment 4	Renewable Resource Tracker Report
Revised Attachment 6	Langdon Repower Facility Tracker
Revised Attachment 7	Ashtabula Repower Facility Tracker
Revised Attachment 8	Luverne Repower Facility Tracker
Revised Attachment 9	Ashtabula III Repower Facility Tracker
Revised Attachment 10	ADIT Prorate Projection

**Otter Tail Power Company
Renewable Resource Cost Recovery Rider
North Dakota**

Summary of Revenue Requirements

Line No.	Revenue Requirements	April 2024 - March 2025
1	Revenue Requirements	\$ 1,854,736
2	Carrying Cost	7,551
3	True up	891,574
4	Total	<u>\$ 2,753,861</u>

**Otter Tail Power Company
Renewable Resource Cost Recovery Rider
North Dakota**

Rate Design Calculation

Line No.	Rate Design	April 2024 - March 2025
1	Forecasted Retail Revenue, all classes	\$ 112,457,472
2	Revenue Requirements	\$ 2,753,861
3	Percentage of Revenue Rate	2.449%

Otter Tail Power Company
 Renewable Rider Tracker
 North Dakota

Line No.	TRACKER SUMMARY Requirements Compared to Billed:	2023	2023	2023	2023	2023	2023	2023	2023	2023	2023	2024	2024	2024	2024
		April Actual	May Actual	June Actual	July Actual	August Actual	September Forecast	October Forecast	November Forecast	December Forecast	Year-End Forecast	January Forecast	February Forecast	March Forecast	Recovery Period
1	Revenue Requirements														
2	Langdon - DTA only effective 02/01/19	(24,353)	(24,353)	(24,353)	(24,353)	(24,353)	(24,353)	(24,353)	(24,353)	(24,353)		(292,231)			
3	Ashtabula - DTA only effective 02/01/19	(88,849)	(88,849)	(88,849)	(88,849)	(88,849)	(88,849)	(88,849)	(88,849)	(88,849)		(1,066,188)			
4	Merricourt Wind Energy Center	941,419	943,717	949,108	944,006	945,530	936,324	936,324	936,324	936,324		11,329,979			
5	Ashtabula III - Effective January 2023	277,496	251,620	320,573	247,812	253,000	291,693	302,530	266,266	266,266		3,091,926			
6	Merricourt PTCs Only												(166,495)	(166,495)	(166,495)
7	Ashtabula I Wind Energy Center Repower												107,345	107,345	107,345
8													38,590	38,590	38,590
9													54,554	54,554	54,554
10													50,482	50,482	50,482
10	Total Revenue Requirements	1,105,713	1,082,135	1,156,480	1,078,616	1,085,329	1,114,816	1,125,653	1,089,389	1,089,389	13,063,487	84,476	84,476	84,476	-
11	Preservation of ADIT Proration	-	-	-	-	-	-	-	-	-	(6,713)				
13	Renewable Energy Certificate Sales	0	(693,247)	0	0	0					(693,247)				
16	Net Revenue Requirement	1,105,713	388,888	1,156,480	1,078,616	1,085,329	1,114,816	1,125,653	1,089,389	1,089,389	12,363,526	84,476	84,476	84,476	
19	Billed (forecast kWh x adj factor)	661,463	726,986	1,062,768	1,237,469	1,191,886	1,170,912	1,051,275	1,137,808	1,239,270	11,595,838	-	-	-	
20	ND ECRR Balance Transfer- Dec 2019 only														
22	Monthly Revenue Difference	449,434	(330,052)	99,656	(152,274)	(100,948)	(51,130)	79,019	(43,275)	(145,014)		88,420	88,844	89,392	
23	Cumulative Difference	1,263,468	933,416	1,033,072	880,798	779,850	728,720	807,738	764,463	619,450	16,490	707,870	796,714	886,106	284
24	Carrying Cost Adj. for rate calculation	-	-	-	-	-	-	-	-	-					
25	Adjusted Cumulative Difference	1,268,652	938,600	1,038,256	885,982	785,034	733,904	812,923	769,647	624,634		713,054	801,898	891,574	
28	Carrying Charge Calculation	8,046	5,944	6,579	5,609	4,966	4,641	5,144	4,868	3,945	57,995	4,368	4,917	5,468	
29	Cumulative Carrying Charge	567,614	573,559	580,138	585,747	590,713	595,354	600,498	605,366	609,311		613,679	618,596	624,064	
30	Carrying Cost	7.64%	7.64%	7.64%	7.64%	7.64%	7.64%	7.64%	7.64%	7.64%		7.41%	7.41%	7.41%	
31	Monthly Rate	0.63683%	0.63683%	0.63683%	0.63683%	0.63683%	0.63683%	0.63683%	0.63683%	0.63683%		0.61710%	0.61710%	0.61710%	
32	Life-to-Date Revenue Requirement	1,271,514	939,360	1,039,651	886,407	784,816	733,361	812,882	769,332	623,395		712,238	801,631	891,574	
34	Forecasted Revenue	\$ 1,115,777	\$ 1,167,386	\$ 1,178,005	\$ 1,249,574	\$ 670,742	\$ 9,631,278	\$ 8,647,209	\$ 9,358,979	\$ 10,193,556	\$ 46,380,350	\$ 10,303,500	\$ 9,455,043	\$ 9,045,045	\$ 72,016,094

Approved by ND PSC on April 27, 2023, in Case No. PU-22-429

Rate Calculation - Effective April 2023 - March 2024	
Revenue Requirements	12,358,709
Carrying Charge	41,325
True-up	462,044
Projected April revenue collected with prior rate	(621,952)
Total Revenue Requirements	12,240,125
Projected Revenue May 2023 - April 2024	100,680,524
Average Rate	12.157%

Otter Tail Power Company
 Renewable Rider Tracker
 North Dakota

Line No.	TRACKER SUMMARY Requirements Compared to Billed:	2024	2024	2024	2024	2024	2024	2024	2024	2024	2024	2025	2025	2025	2025
		April Forecast	May Forecast	June Forecast	July Forecast	August Forecast	September Forecast	October Forecast	November Forecast	December Forecast	Year-End Forecast	January Forecast	February Forecast	March Forecast	Period Recovery
1	Revenue Requirements														
2	Langdon - DTA only effective 02/01/19														
3	Ashtabula - DTA only effective 02/01/19														
4	Merricourt Wind Energy Center														
5	Ashtabula III - Effective January 2023														
6	Merricourt PTCs Only	(166,495)	(166,495)	(166,495)	(166,495)	(166,495)	(166,495)	(166,495)	(166,495)	(166,495)	(1,997,946)	(166,495)	(166,495)	(166,495)	(1,997,946)
7		107,345	107,345	107,345	107,345	107,345	107,345	107,345	3,894	52,737	1,130,082	123,000	123,000	123,000	1,177,048
8	Ashtabula I Wind Energy Center Repower	38,590	38,590	38,590	38,590	38,590	38,590	38,590	38,590	38,590	463,076	132,178	132,178	132,178	743,841
9		54,554	54,554	54,554	54,554	54,554	54,554	54,554	54,554	54,554	654,649	162,084	162,084	162,084	977,238
10		50,482	50,482	50,482	50,482	50,482	50,482	50,482	50,482	50,482	605,787	166,739	166,739	166,739	954,556
11	Total Revenue Requirements	84,476	84,476	84,476	84,476	84,476	84,476	84,476	(18,975)	29,868	855,649	417,505	417,505	417,505	1,854,736
12	Preservation of ADIT Proration	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Renewable Energy Certificate Sales	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Net Revenue Requirement	84,476	84,476	84,476	84,476	84,476	84,476	84,476	(18,975)	29,868	855,649	417,505	417,505	417,505	1,854,736
15															
16	Billed (forecast kWh x adj factor)	198,677	188,082	225,166	247,314	246,201	236,483	212,977	230,805	251,738	2,037,444	256,173	234,963	225,281	2,753,861
17	ND ECRR Balance Transfer- Dec 2019 only														
18	Monthly Revenue Difference	(108,733)	(98,809)	(136,503)	(159,493)	(159,365)	(150,630)	(128,053)	(250,123)	(223,756)		158,065	180,250	191,045	
19	Cumulative Difference	777,373	678,564	542,061	382,567	223,203	72,573	(55,481)	(305,603)	(529,360)		(371,295)	(191,045)	0	(5,468)
20	Carrying Cost Adj. for rate calculation	-	-	-	-	-	-	-	-	-	284	-	-	(5,468)	(5,468)
21	Adjusted Cumulative Difference	782,841	684,032	547,529	388,036	228,671	78,041	(50,012)	(300,135)	(523,892)		(365,827)	(185,577)	0	
22															
23	Carrying Charge Calculation	4,797	4,187	3,345	2,361	1,377	448	(342)	(1,886)	(3,267)	25,774	(2,291)	(1,179)	0	
24	Cumulative Carrying Charge	628,861	633,049	636,394	638,754	640,132	640,580	640,237	638,351	635,085		632,794	631,615	631,615	
25	Carrying Cost	7.41%	7.41%	7.41%	7.41%	7.41%	7.41%	7.41%	7.41%	7.41%		7.41%	7.41%	7.41%	
26	Monthly Rate	0.61710%	0.61710%	0.61710%	0.61710%	0.61710%	0.61710%	0.61710%	0.61710%	0.61710%		0.61710%	0.61710%	0.61710%	
27															
28	Life-to-Date Revenue Requirement	782,170	682,751	545,406	384,928	224,580	73,021	(55,823)	(307,489)	(532,627)		(373,586)	(192,224)	0	
29															
30	Forecasted Revenue	\$ 8,113,241	\$ 7,680,557	\$ 9,194,958	\$ 10,099,380	\$ 10,053,946	\$ 9,657,085	\$ 8,697,182	\$ 9,425,236	\$ 10,280,059	\$ 112,005,232	\$ 10,461,165	\$ 9,595,020	\$ 9,199,643	\$ 112,457,472

Approved by ND PSC on [DATE] in Case No. PU-

Rate Calculation - Effective April 2024		April 2024 - March 2025
Revenue Requirements		\$ 1,854,736
Carrying Charge		7,551
Cumulative True-up		891,574
Total Requirements		\$ 2,753,861
Revenue		\$ 112,457,472
New Rate		2.449%

Otter Tail Power Company
North Dakota Renewable Resource Rider
Ashtabula 1 Wind Farm - Repower Project

Line No.	Dates >>	2025												Year-End Projected
		January Projected	February Projected	March Projected	April Projected	May Projected	June Projected	July Projected	August Projected	September Projected	October Projected	November Projected	December Projected	
1 RATE BASE														
2	Plant Balance - Ashtabula	-	-	-	-	-	-	45,254,404	50,462,245	51,134,002	51,357,349	52,957,349	55,225,391	55,225,391
3	Accumulated Depreciation	-	-	-	-	-	-	(100,205)	(211,941)	(211,941)	(325,164)	(438,882)	(556,143)	(556,143)
4	Net Plant in Service	-	-	-	-	-	-	45,254,404	50,362,040	50,922,061	51,032,185	52,518,467	54,669,248	54,669,248
5														
6 CWIP Calculation:														
7	Beginning	26,019,392	26,024,392	26,029,392	26,034,392	26,039,392	27,211,059	43,415,980	-	-	-	-	-	26,019,392
8	Additional CWIP	5,000	5,000	5,000	5,000	5,000	1,171,667	1,838,424	5,207,841	671,757	223,347	1,600,000	2,268,042	29,205,999
9	Closings from CWIP	-	-	-	-	-	-	(45,254,404)	(5,207,841)	(671,757)	(223,347)	(1,600,000)	(2,268,042)	(55,225,391)
10	AFUDC	-	-	-	-	-	-	-	-	-	-	-	-	-
11	CWIP	26,024,392	26,029,392	26,034,392	26,039,392	27,211,059	43,415,980	-	-	-	-	-	-	-
12														
13	ADIT Pro-Rated	0.16438	0.08767	0.00274	0.92055	0.83562	0.75342	0.66849	0.58356	0.50137	0.41644	0.33425	0.24932	-
14	Accum. Deferred Inc. Taxes - Fed Only	-	-	-	-	-	-	(247,286)	(451,405)	(625,612)	(770,185)	(886,190)	(972,541)	(972,541)
15	Accum. Deferred Inc. Taxes - Fed & State	-	-	-	-	-	-	(326,627)	(605,767)	(854,499)	(1,073,532)	(1,263,976)	(1,424,614)	(1,424,614)
16	Accum. Deferred Inc. Taxes - Fed & State - No Prorate	-	-	-	-	-	-	(449,257)	(751,429)	(1,027,755)	(1,276,124)	(1,495,036)	(1,684,616)	(1,684,616)
17	Accum. Deferred Inc. Taxes - Federal PTC	-	-	-	-	-	-	204,199	381,003	630,114	857,376	987,767	1,117,944	1,117,944
18	End of month rate base	26,024,392	26,029,392	26,034,392	26,039,392	27,211,059	43,415,980	45,131,976	50,137,276	50,697,676	50,816,029	52,242,257	54,362,578	54,362,578
19	End of month rate base - No Prorate	26,024,392	26,029,392	26,034,392	26,039,392	27,211,059	43,415,980	45,009,346	49,991,614	50,524,420	50,613,437	52,011,198	54,102,576	54,102,576
20														
21	Average rate base	3,231,806	3,231,806	3,231,806	3,231,806	3,231,806	3,231,806	3,231,806	3,231,806	3,231,806	3,231,806	3,231,806	3,231,806	38,781,676
22														
23	Return on Rate Base	239,322	239,322	239,322	239,322	239,322	239,322	239,322	239,322	239,322	239,322	239,322	239,322	2,871,863
24														
25	Available for return (equity portion of rate base)	168,909	168,909	168,909	168,909	168,909	168,909	168,909	168,909	168,909	168,909	168,909	168,909	2,026,912
26														
27 EXPENSES														
O&M and Depreciation														
28	Operating Costs	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Net Self Fund Transmission Payments	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Ground Lease Payments	-	-	-	-	-	-	-	-	-	-	-	-	-
31	Property Tax	-	-	-	-	-	-	-	-	-	-	-	-	-
32	Book Depreciation	-	-	-	-	-	-	-	100,205	111,736	113,223	113,718	117,261	556,143
33	Total O&M and Depreciation Expense	-	-	-	-	-	-	-	100,205	111,736	113,223	113,718	117,261	556,143
34														
35														
36	Income before Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
37	Available for return (from above)	168,909	168,909	168,909	168,909	168,909	168,909	168,909	168,909	168,909	168,909	168,909	168,909	2,026,912
38	Less book tax credits - Federal PTC	-	-	-	-	-	-	(213,644)	(213,644)	(213,644)	(213,644)	(213,644)	(213,644)	(1,281,865)
39	Adjusted Income before interest and taxes	168,909	168,909	168,909	168,909	168,909	168,909	168,909	168,909	168,909	168,909	168,909	168,909	745,047
40														
41	Taxable Income (grossed up)	223,440	223,440	223,440	223,440	223,440	223,440	(59,177)	(59,177)	(59,177)	(59,177)	(59,177)	(59,177)	985,575
42														
43	Income Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
44	Current and Def Income Taxes	54,530	54,530	54,530	54,530	54,530	54,530	(14,442)	(14,442)	(14,442)	(14,442)	(14,442)	(14,442)	240,529
45	Federal PTC	-	-	-	-	-	-	(213,644)	(213,644)	(213,644)	(213,644)	(213,644)	(213,644)	(1,281,865)
46	Total Income Tax Expense	54,530	54,530	54,530	54,530	54,530	54,530	(228,086)	(228,086)	(228,086)	(228,086)	(228,086)	(228,086)	(1,041,337)
47														
48 REVENUE REQUIREMENTS														
49	Expenses	54,530	54,530	54,530	54,530	54,530	54,530	(228,086)	(127,882)	(116,350)	(114,863)	(114,368)	(110,825)	(485,194)
50	Return on rate base	239,322	239,322	239,322	239,322	239,322	239,322	239,322	239,322	239,322	239,322	239,322	239,322	2,871,863
51														
52	Total revenue requirements	293,852	293,852	293,852	293,852	293,852	293,852	11,236	111,440	122,972	124,459	124,954	128,496	2,386,669
53														
54	North Dakota share - E2 factor	132,178	132,178	132,178	132,178	132,178	132,178	5,054	50,127	55,314	55,983	56,205	57,799	1,073,549
55														
56 SUPPORTING INFORMATION / DATA														
57														
58	ND Cap structure with allowed ROE per order.													
59	Capital Structure	Ratio	Cost	WA Cost				Fed Portion	State Portion					
60	Debt	46.50%	4.68%	2.18%			Effective Tax Rate	24.40%	20.09%	4.31%				
61	Preferred equity	0.00%	0.00%	0.00%			Tax conversion factor	1.32284						
62	Common equity	53.50%	9.77%	5.23%										
63	Total	100.00%		7.41%			E2 Factor	44.981%						
64														
65														
66 Federal Production Tax Credit														
67	Federal PTC Rate	\$ 27.50	\$ 27.50	\$ 27.50	\$ 27.50	\$ 27.50	\$ 27.50	\$ 27.50	\$ 27.50	\$ 27.50	\$ 27.50	\$ 27.50	\$ 27.50	\$ 27.50
68	Output (MWH) / month	-	-	-	-	-	-	11,108	11,017	18,068	19,845	14,186	18,987	93,210
69	Federal PTC Available based on production	-	-	-	-	-	-	305,462	302,972	496,861	545,730	390,103	522,139	2,563,267
70														
71	Credit to Customer	-	-	-	-	-	-	213,644	213,644	213,644	213,644	213,644	213,644	1,281,865
72	Credit to Customer - Cumulative	-	-	-	-	-	-	213,644	427,288	640,933	854,577	1,068,221	1,281,865	1,281,865
73														
74	Federal PTC Used on tax return	-	-	-	-	-	-	-	-	-	-	-	-	-
75	Deferred	-	-	-	-	-	-	305,462	302,972	496,861	545,730	390,103	522,139	2,563,267
76	Accumulated Deferred	-	-	-	-	-	-	305,462	608,435	1,105,296	1,651,025	2,041,128	2,563,267	2,563,267
77														
78 Deferred Tax														
79	Book depreciation	-	-	-	-	-	-	-	100,205	111,736	113,223	113,718	117,261	556,143
80	Tax depreciation-Federal	-	-	-	-	-	-	1,840,846	1,840,846	1,840,846	1,840,846	1,840,846	1,840,846	11,045,078
81	Tax depreciation-ND	-	-	-	-	-	-	1,840,846	1,840,846	1,840,846	1,840,846	1,840,846	1,840,846	11,045,078
82	Book vs. tax depreciation	-	-	-	-	-	-	(1,840,846)	(1,740,642)	(1,729,110)	(1,727,623)	(1,727,128)	(1,723,586)	(10,488,935)
83	Federal deferred income taxes	-	-	-	-	-	-	(369,916)	(349,780)	(347,463)	(347,164)	(347,065)	(346,353)	(2,107,741)
84	State deferred income taxes	-	-	-	-	-	-	(79,340)	(75,022)	(74,525)	(74,461)	(74,439)	(74,287)	(452,073)

Otter Tail Power Company
 North Dakota Renewable Resource Rider
 Laverne Wind Farm

Line No.	Dates >>	2025												Year-End Projected	
		January Projected	February Projected	March Projected	April Projected	May Projected	June Projected	July Projected	August Projected	September Projected	October Projected	November Projected	December Projected		
1	RATE BASE														
2	Plant Balance - Laverne	-	-	-	-	-	-	-	-	58,319,321	58,319,321	58,319,321	58,319,321	58,319,321	
3	Accumulated Depreciation	-	-	-	-	-	-	-	-	-	(141,118)	(282,236)	(423,355)	(423,355)	
4	Net Plant in Service	-	-	-	-	-	-	-	-	58,319,321	58,178,202	58,037,084	57,895,966	57,895,966	
6	CWIP Calculation:														
7	Beginning	33,264,921	33,269,921	33,274,921	33,299,921	33,324,921	51,331,768	55,481,090	55,800,855	58,319,321	-	-	-	33,264,921	
8	Additional CWIP	5,000	5,000	25,000	25,000	18,006,847	4,149,322	319,765	2,518,466	-	-	-	-	25,054,400	
9	Closings from CWIP	-	-	-	-	-	-	-	-	-	(58,319,321)	-	-	-	(58,319,321)
10	AFUDC	-	-	-	-	-	-	-	-	-	-	-	-	-	
11	CWIP	33,269,921	33,274,921	33,299,921	33,324,921	51,331,768	55,481,090	55,800,855	58,319,321	-	-	-	-	-	
12	ADIT Pro-Rated	0.16438	0.08767	0.00274	0.92055	0.83562	0.75342	0.66849	0.58356	0.50137	0.41644	0.33425	0.24932	-	
13	Accum. Deferred Inc. Taxes - Fed Only	-	-	-	-	-	-	-	-	(293,783)	(525,990)	(712,367)	(851,386)	(851,386)	
14	Accum. Deferred Inc. Taxes - Fed & State	-	-	-	-	-	-	-	-	(419,461)	(771,264)	(1,077,237)	(1,335,852)	(1,335,852)	
15	Accum. Deferred Inc. Taxes - Fed & State - No Prorate	-	-	-	-	-	-	-	-	(711,639)	(1,096,660)	(1,448,463)	(1,754,436)	(1,754,436)	
16	Accum. Deferred Inc. Taxes - Federal PTC	-	-	-	-	-	-	-	-	229,739	462,721	603,303	740,777	740,777	
17	End of month rate base	33,269,921	33,274,921	33,299,921	33,324,921	51,331,768	55,481,090	55,800,855	58,319,321	58,129,599	57,869,659	57,563,150	57,300,892	57,300,892	
18	End of month rate base - No Prorate	33,269,921	33,274,921	33,299,921	33,324,921	51,331,768	55,481,090	55,800,855	58,319,321	57,837,421	57,544,264	57,191,924	56,882,308	56,882,308	
19	Average rate base	3,963,019	3,963,019	3,963,019	3,963,019	3,963,019	3,963,019	3,963,019	3,963,019	3,963,019	3,963,019	3,963,019	3,963,019	3,963,019	
20	Return on Rate Base	293,470	293,470	293,470	293,470	293,470	293,470	293,470	293,470	293,470	293,470	293,470	293,470	293,470	
21	Available for return (equity portion of rate base)	207,126	207,126	207,126	207,126	207,126	207,126	207,126	207,126	207,126	207,126	207,126	207,126	207,126	
22															
23															
24															
25															
26															
27	EXPENSES														
28	<i>O&M and Depreciation</i>														
29	Operating Costs													-	
30	Net Self Fund Transmission Payments													-	
31	Ground Lease Payments													-	
32	Property Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	
33	Book Depreciation	-	-	-	-	-	-	-	-	-	141,118	141,118	141,118	423,355	
34	Total O&M and Depreciation Expense	-	-	-	-	-	-	-	-	-	141,118	141,118	141,118	423,355	
35															
36	Income before Taxes														
37	Available for return (from above)	207,126	207,126	207,126	207,126	207,126	207,126	207,126	207,126	207,126	207,126	207,126	207,126	2,485,511	
38	Less book tax credits - Federal PTC	-	-	-	-	-	-	-	-	(218,569)	(218,569)	(218,569)	(218,569)	(874,276)	
39	Adjusted Income before interest and taxes	207,126	207,126	207,126	207,126	207,126	207,126	207,126	207,126	(11,443)	(11,443)	(11,443)	(11,443)	1,611,235	
40															
41	Taxable Income (grossed up)	273,994	273,994	273,994	273,994	273,994	273,994	273,994	273,994	(15,137)	(15,137)	(15,137)	(15,137)	2,131,402	
42	Income Taxes														
43	Current and Def Income Taxes	66,868	66,868	66,868	66,868	66,868	66,868	66,868	66,868	(3,694)	(3,694)	(3,694)	(3,694)	520,166	
44	Federal PTC	-	-	-	-	-	-	-	-	(218,569)	(218,569)	(218,569)	(218,569)	(874,276)	
45	Total Income Tax Expense	66,868	66,868	66,868	66,868	66,868	66,868	66,868	66,868	(222,263)	(222,263)	(222,263)	(222,263)	(354,109)	
46															
47															
48	REVENUE REQUIREMENTS														
49	Expenses	66,868	66,868	66,868	66,868	66,868	66,868	66,868	66,868	(222,263)	(81,145)	(81,145)	(81,145)	69,245	
50	Return on rate base	293,470	293,470	293,470	293,470	293,470	293,470	293,470	293,470	293,470	293,470	293,470	293,470	3,521,637	
51															
52	Total revenue requirements	360,338	360,338	360,338	360,338	360,338	360,338	360,338	360,338	71,207	212,325	212,325	212,325	3,590,882	
53															
54	North Dakota share - E2 factor	162,084	162,084	162,084	162,084	162,084	162,084	162,084	162,084	32,029	95,506	95,506	95,506	1,615,216	
55															
56	SUPPORTING INFORMATION / DATA														
57	ND Cap structure with allowed ROE per order.														
58	Capital Structure														
59	Debt	46.50%	4.68%	2.18%			Effective Tax Rate	24.40%		Fed Portion	20.09%	State Portion	4.31%		
60	Preferred equity	0.00%	0.00%	0.00%			Tax conversion factor	1.32284							
61	Common equity	53.50%	9.77%	5.23%											
62	Total	100.00%		7.41%			E2 Factor	44.981%							
63															
64															
65															
66	Federal Production Tax Credit														
67	Federal PTC Rate	\$ 27.50	\$ 27.50	\$ 27.50	\$ 27.50	\$ 27.50	\$ 27.50	\$ 27.50	\$ 27.50	\$ 27.50	\$ 27.50	\$ 27.50	\$ 27.50	\$ 27.50	
68	Output (MWH) / month									16,663	20,344	15,294	20,051	72,352	
69	Federal PTC Available based on production	-	-	-	-	-	-	-	-	458,223	559,463	420,594	551,407	1,989,688	
70															
71	Credit to Customer	-	-	-	-	-	-	-	-	218,569	218,569	218,569	218,569	874,276	
72	Credit to Customer - Cumulative	-	-	-	-	-	-	-	-	218,569	437,138	655,707	874,276	874,276	
73															
74	Federal PTC Used on tax return	-	-	-	-	-	-	-	-	-	-	-	-	-	
75	Deferred	-	-	-	-	-	-	-	-	458,223	559,463	420,594	551,407	1,989,688	
76	Accumulated Deferred	-	-	-	-	-	-	-	-	458,223	1,017,686	1,438,280	1,989,688	1,989,688	
77															
78	Deferred Tax														
79	Book depreciation	-	-	-	-	-	-	-	-	-	141,118	141,118	141,118	423,355	
80	Tax depreciation-Federal	-	-	-	-	-	-	-	-	2,915,966	2,915,966	2,915,966	2,915,966	11,663,864	
81	Tax depreciation-ND	-	-	-	-	-	-	-	-	2,915,966	2,915,966	2,915,966	2,915,966	11,663,864	
82	Book vs. tax depreciation	-	-	-	-	-	-	-	-	(2,915,966)	(2,774,848)	(2,774,848)	(2,774,848)	(11,240,510)	
83															
84	Federal deferred income taxes	-	-	-	-	-	-	-	-	(585,960)	(557,603)	(557,603)	(557,603)	(2,258,769)	
85	State deferred income taxes	-	-	-	-	-	-	-	-	(125,678)	(119,596)	(119,596)	(119,596)	(484,466)	

Otter Tail Power Company
 North Dakota Renewable Resource Rider
 Ashtabula III Wind Farm - Repower Project

Line No.	Dates >>	2025												Year-End Projected	
		January Projected	February Projected	March Projected	April Projected	May Projected	June Projected	July Projected	August Projected	September Projected	October Projected	November Projected	December Projected		
RATE BASE															
1	Plant Balance - Ashtabula III	-	-	-	-	-	-	-	-	-	-	-	64,224,032	67,088,313	67,088,313
2	Accumulated Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	(145,660)	(145,660)
3	Net Plant in Service	-	-	-	-	-	-	-	-	-	-	-	64,224,032	66,942,652	66,942,652
4															
5															
CWIP Calculation:															
6	Beginning	35,657,122	35,662,122	35,667,122	35,672,122	35,677,122	35,682,122	54,366,286	57,901,972	58,573,377	59,244,782	62,274,032	-	35,657,122	
7	Additional CWIP	5,000	5,000	5,000	5,000	5,000	5,000	18,684,164	3,535,686	671,405	671,405	3,029,250	1,950,000	31,431,191	
8	Closings from CWIP	-	-	-	-	-	-	-	-	-	-	-	(64,224,032)	(67,088,313)	
9	AFUDC	-	-	-	-	-	-	-	-	-	-	-	(2,864,281)	(2,864,281)	
10															
11	CWIP	35,662,122	35,667,122	35,672,122	35,677,122	35,682,122	54,366,286	57,901,972	58,573,377	59,244,782	62,274,032	-	-		
12	ADIT Pro-Rated	0.16438	0.08767	0.00274	0.92055	0.83562	0.75342	0.66849	0.58356	0.50137	0.41644	0.33425	0.24932		
13	Accum. Deferred Inc. Taxes - Fed Only	-	-	-	-	-	-	-	-	-	-	(450,609)	(779,421)		
14	Accum. Deferred Inc. Taxes - Fed & State	-	-	-	-	-	-	-	-	-	-	(739,759)	(1,351,444)		
15	Accum. Deferred Inc. Taxes - Fed & State - No Prorate	-	-	-	-	-	-	-	-	-	-	(1,637,284)	(2,341,495)		
16	Accum. Deferred Inc. Taxes - Federal PTC	-	-	-	-	-	-	-	-	-	-	179,897	352,767		
17	End of month rate base	35,662,122	35,667,122	35,672,122	35,677,122	35,682,122	54,366,286	57,901,972	58,573,377	59,244,782	62,274,032	63,664,169	65,943,975		
18	End of month rate base - No Prorate	35,662,122	35,667,122	35,672,122	35,677,122	35,682,122	54,366,286	57,901,972	58,573,377	59,244,782	62,274,032	62,766,645	64,953,925		
19	Average rate base	4,076,835	4,076,835	4,076,835	4,076,835	4,076,835	4,076,835	4,076,835	4,076,835	4,076,835	4,076,835	4,076,835	4,076,835		
20															
21	Return on Rate Base	301,898	301,898	301,898	301,898	301,898	301,898	301,898	301,898	301,898	301,898	301,898	301,898		
22															
23	Available for return (equity portion of rate base)	213,075	213,075	213,075	213,075	213,075	213,075	213,075	213,075	213,075	213,075	213,075	213,075		
24															
25															
26															
27															
EXPENSES															
<i>O&M and Depreciation</i>															
28	Operating Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	
29	Net Self Fund Transmission Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	
30	Ground Lease Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	
31	Property Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	
32	Book Depreciation	-	-	-	-	-	-	-	-	-	-	-	145,660	145,660	
33	Total O&M and Depreciation Expense	-	-	-	-	-	-	-	-	-	-	-	145,660	145,660	
34															
35															
36	Income before Taxes	213,075	213,075	213,075	213,075	213,075	213,075	213,075	213,075	213,075	213,075	213,075	213,075		
37	Available for return (from above)	213,075	213,075	213,075	213,075	213,075	213,075	213,075	213,075	213,075	213,075	213,075	213,075		
38	Less book tax credits - Federal PTC	-	-	-	-	-	-	-	-	-	-	(270,735)	(270,735)		
39	Adjusted Income before interest and taxes	213,075	213,075	213,075	213,075	213,075	213,075	213,075	213,075	213,075	213,075	(57,661)	(57,661)		
40															
41	Taxable Income (grossed up)	281,863	281,863	281,863	281,863	281,863	281,863	281,863	281,863	281,863	281,863	(76,276)	(76,276)		
42															
43	Income Taxes	68,788	68,788	68,788	68,788	68,788	68,788	68,788	68,788	68,788	68,788	(18,615)	(18,615)		
44	Current and Def Income Taxes	68,788	68,788	68,788	68,788	68,788	68,788	68,788	68,788	68,788	68,788	(270,735)	(270,735)		
45	Federal PTC	-	-	-	-	-	-	-	-	-	-	(270,735)	(270,735)		
46	Total Income Tax Expense	68,788	68,788	68,788	68,788	68,788	68,788	68,788	68,788	68,788	68,788	(289,350)	(289,350)		
47															
48															
REVENUE REQUIREMENTS															
49	Expenses	68,788	68,788	68,788	68,788	68,788	68,788	68,788	68,788	68,788	68,788	(289,350)	(143,690)		
50	Return on rate base	301,898	301,898	301,898	301,898	301,898	301,898	301,898	301,898	301,898	301,898	301,898	301,898		
51															
52	Total revenue requirements	370,686	370,686	370,686	370,686	370,686	370,686	370,686	370,686	370,686	370,686	12,548	158,208		
53															
54	North Dakota share - E2 factor	166,739	166,739	166,739	166,739	166,739	166,739	166,739	166,739	166,739	166,739	5,644	71,164		
55															
SUPPORTING INFORMATION / DATA															
56	ND Cap structure with allowed ROE per order.														
57															
58	Capital Structure														
59	Debt	46.50%	4.68%	2.18%				24.40%	20.09%	4.31%					
60	Preferred equity	0.00%	0.00%	0.00%				1.32284							
61	Common equity	53.50%	9.77%	5.23%											
62	Total	100.00%		7.41%				E2 Factor	44.981%						
63															
64															
65															
66	Federal Production Tax Credit														
67	Federal PTC Rate	\$ 27.50	\$ 27.50	\$ 27.50	\$ 27.50	\$ 27.50	\$ 27.50	\$ 27.50	\$ 27.50	\$ 27.50	\$ 27.50	\$ 27.50	\$ 27.50		
68	Output (MWH) / month											19,571	25,214		
69	Federal PTC Available based on production	-	-	-	-	-	-	-	-	-	-	538,216	693,380		
70															
71	Credit to Customer	-	-	-	-	-	-	-	-	-	-	270,735	270,735		
72	Credit to Customer - Cumulative	-	-	-	-	-	-	-	-	-	-	270,735	541,471		
73															
74	Federal PTC Used on tax return	-	-	-	-	-	-	-	-	-	-	-	-		
75	Deferred	-	-	-	-	-	-	-	-	-	-	538,216	693,380		
76	Accumulated Deferred	-	-	-	-	-	-	-	-	-	-	538,216	1,231,596		
77															
78	Deferred Tax														
79	Book depreciation	-	-	-	-	-	-	-	-	-	-	145,660	145,660		
80	Tax depreciation-Federal	-	-	-	-	-	-	-	-	-	-	6,708,831	6,708,831		
81	Tax depreciation-ND	-	-	-	-	-	-	-	-	-	-	6,708,831	6,708,831		
82	Book vs. tax depreciation	-	-	-	-	-	-	-	-	-	-	(6,708,831)	(6,563,171)		
83															
84	Federal deferred income taxes	-	-	-	-	-	-	-	-	-	-	(1,348,133)	(1,318,863)		
85	State deferred income taxes	-	-	-	-	-	-	-	-	-	-	(289,151)	(282,873)		

**Otter Tail Power Company
 North Dakota Renewable Resource Rider
 Federal ADIT Proration**

(A) (B) (C) (D)

April 2024 - March 2025 Recovery Period				
Line No.	Month	All Projects' Revenue Requirements	All Projects' Revenue Requirements with ADIT-Prorate	Difference due to Federal ADIT Proration (B - A)
1	Apr-24	84,139	84,476	337
2	May-24	84,139	84,476	337
3	Jun-24	84,139	84,476	337
4	Jul-24	84,139	84,476	337
5	Aug-24	84,139	84,476	337
6	Sep-24	84,139	84,476	337
7	Oct-24	84,139	84,476	337
8	Nov-24	10,245	(18,975)	(29,220)
9	Dec-24	59,088	29,868	(29,220)
10	Jan-25	446,228	417,505	(28,724)
11	Feb-25	446,228	417,505	(28,724)
12	Mar-25	446,228	417,505	(28,724)
13		1,996,989	1,854,736	(142,253)
14	Revenue Requirement Adjustment Related to Federal ADIT Proration			(142,253)