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December 21, 2015



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

RE: In the Matter of Otter Tail Power Company's Petition for Approval of the Annual Rate Update to its Environmental Upgrades Cost Recovery Rider Rate, Rate Schedule 13.08

Docket No. E017/M-15-719

Supplemental Filing - UPDATED ATTACHMENTS

Dear Mr. Wolf:

Enclosed for filing in the above-referenced matter are updated attachments to Otter Tail Power Company's (Otter Tail) July 31, 2015 Initial Filing in this case (Initial Filing). The updated attachments are the result of the proration of Accumulated Deferred Income Taxes (ADIT) in compliance with recent Private Letter Rulings issued by the Internal Revenue Service (IRS).

The attachments included in this supplemental filing include the following changes to Otter Tail's Initial Filing:

ADIT. Subsequent to Otter Tail's Initial Filing in this Docket, Otter Tail became aware
of an IRS rule related to the normalization of ADIT in a forward looking test year used
for rate-making purposes. Many utilities, including Otter Tail, were made aware of the
rule through a series of Private Letter Rulings issued by the IRS to a number of other
utilities.

IRS Section 1.167(l)(h)(6) provides that ratemaking procedures and adjustments must be consistent with normalization accounting. This section defines the procedures a company must use to normalize the impact on rate making if a company elects to use accelerated depreciation methods. Specifically, this section stipulates that the monthly changes to the deferred taxes balance, as calculated by the company, must be prorated prior to computing the average of beginning and ending balances for ADIT. According to the rule, Otter Tail would risk losing its ability to take accelerated depreciation if it fails to comply with this rule. Accelerated depreciation is a significant benefit to ratepayers as ADIT amounts are credited against rate base amounts when establishing rates making adherence to this rule important to Minnesota customers.



As noted earlier, at the time of the Initial Filing, Otter Tail was not aware of the ADIT proration issue and had therefore not incorporated the implications of this rule in its revenue requirement calculation. Otter Tail recently completed its analysis and application of the proration methodology to its ADIT balances and has included revised attachments in this supplemental filing that reflect the new ADIT calculation. In Otter Tail's next update to its ECR rider, actual ADIT balances will replace the prorated forecast ADIT amounts included in this filing, with the difference between the actuals and prorated forecast amounts incorporated into the true-up applicable to the next collection period.

Adherence to this IRS rule results in an increase of \$55,707 to the revenue requirement in this Docket due to the lower ADIT balance as a result of the proration. The table below shows the revenue requirement and calculated rate in the initial filing as well as the revised calculations with the pro-rated ADIT.

	Revenue Requirement	Calculated ECR Rate
Initial Filing	\$12,103,691	7.056%
Pro-Rated ADIT Calc	\$12,159,398	7.089%

The overall impact of these changes increases the calculated rate from 7.056 percent to 7.089 percent. Otter Tail continues to request the continuation of the current rate of 7.006 percent as proposed in the Initial Filing.

If you have any questions regarding this filing, please contact me at 218-739-8607 or pbeithon@otpco.com.

Sincerely,

/s/ PETE BEITHON
Pete Beithon
Manager, Regulatory Recovery

jch Enclosures By electronic filing c: Service List Otter Tail Power Company Environmental Cost Recovery Rider Docket No. E017/M-15-719

Summary of Revenue Requirements

Line No.	Revenue Requirements	2015 - 2016
1	Air Quality Control System	\$12,821,254
2	Carrying Cost	(60,383)
3	True Up	(601,473)
4	Total	\$12,159,398

Line No.	Year>>	2012 Actual Total	2013 Actual January	2013 Actual February	2013 Actual March	2013 Actual April	2013 Actual May	2013 Actual June	2013 Actual July	2013 Actual August	2013 Actual September	2013 Actual October	2013 Actual November	2013 Actual December	2013 Actual Total
1 2	RATE BASE Plant Balance Accumulated. Depreciation	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3	Net Plant in Service CWIP Calculation	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5 6	Eligible AFUDC CWIP Additional CWIP		21,057,583 254,904	21,312,487 1,321,829	22,634,317 4,720,242	27,354,559 1,351,072	28,705,631 2,410,661	31,116,292 6,108,524	37,224,815 7,746,167	44,970,982 10,540,167	55,511,149 6,790,335	62,301,483 8,125,883	70,427,366 8,344,818	78,772,183 7,038,696	
7	Ending Eligible AFUDC CWIP AFUDC	21,057,583	21,312,487	22,634,317	27,354,559	28,705,631	31,116,292	37,224,815	44,970,982	55,511,149	62,301,483	70,427,366	78,772,183	85,810,879	85,810,879
9	Additional AFUDC Ending AFUDC		133,819 133,819	137,920 271,739	158,007 429,745	161,640 591,386	172,088 763,473	208,725 972,198	261,280 1,233,478	314,216 1,547,694	367,428 1,915,122	472,238 2,387,360	542,328 2,929,688	615,308 3,544,995	3,544,995
11 12	AFUDC Rate Bag House Exclusion		7.5800%	7.5320%	7.5860%	6.9200%	6.9040%	7.3300%	7.6290%	7.5050%	7.4850%	8.5390%	8.7238%	8.9726%	
13 14	Additional Bag House Exclusion Total Bag House Exclusion ADIT Pro-Rated	(1,914,879)	(46,935) (1,961,815)	(150,141) (2,111,956)	(505,568) (2,617,524)	(155,255) (2,772,779)	(267,049) (3,039,827)	(655,003) (3,694,830)	(831,035) (4,525,866)	(1,127,131) (5,652,996)	(742,657) (6,395,653)	(892,209) (7,287,862)	(922,260) (8,210,122)	(793,885) (9,004,007)	(9,004,007)
15 16	Accumulated Deferred Income Taxes Fedederal & State Ending Rate Base	19,142,703	0 19,484,491	20,794,099	0 25,166,780	0 26,524,238	0 28,839,938	0 34,502,183	0 41,678,594	51,405,846	0 57,820,952	0 65,526,864	73,491,749	0 80,351,868	0 80,351,868
17 18	Average Rate Base		3,491,861	3,491,861	3,491,861	3,491,861	3,491,861	3,491,861	3,491,861	3,491,861	3,491,861	3,491,861	3,491,861	3,491,861	41,902,331
19 20	Return on Rate Base		2013 does not us	a revenue requi	rments calculat	tion, only the AFL	IDC accrual.								
21 22	Available for Return (equity portion of rate base)														
23 24	EXPENSES														
25 26	O&M and Depreciation Operating Costs														
27 28	Property Tax Book Depreciation														
29 30 31	Total O&M and Depreciation Expense Income before Taxes														
32 33	Available for Return (from above) Taxable Income (grossed up) 1.7056														
34 35	Income Taxes														
36 37	Current and Def Income Taxes 41.37% Total Income Tax Expense														
38 39	, , , , , , , , , , , , , , , , , , , ,														
40 41	REVENUE REQUIREMENTS Expenses														
42 43	Return on Rate Base Subtotal Revenue Requirements														
44 45 46	Adjustments Total Revenue Requirements														
47 48	Base Demand Factor 75.29% Peak Demand Factor 24.71%														
49 50	Minnesota share - E1 factor 51.5408%														
51 52	Minnesota share - D1 factor 48.3009%														
53	Minnesota Revenue Requirements														
			-	-		-			-	-	-		-		
Line No.															
1	SUPPORTING INFORMATION / DATA		MN Cap Structure	with allowed BOT	nor order										
2 3 4			MN Cap Structure Capital Structure Debt	with allowed ROE	Per order. Ratio 48.28%	Cost 6.33%	WA Cost					Property tax	ite	0.00%	
5			Preferred equity Common equity		0.00% 51.72%	0.00% 10.74%	0.00% 5.55%				2	.о го сопірозів Га		0.00%	
7 8			Total	_	100.00%	10.1-1/0		verall Return							
9			Project life (years)		Book 30	Tax 7-year MACRS									
11 12						Federal	State								
13 14			Tax c	tutory Tax Rate onversion factor	41.37% 1.70561	31.57%	9.80%								
15 16			Peak	Demand Factor Demand Factor	75.29% 24.71%										
17 18 19				hare - E1 factor hare - D1 factor	51.5408% 48.3009%										
20 21	Deferred Tax Book depreciation		0	0	0	0	0	0	0	0	0	0	0	0	0
22	Tax depreciation-Federal Tax depreciation-State		0	0	0	0	0	0	0	0	0	0	0	0	0
24 25	Federal deferred income taxes 35.00% State deferred income taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
L			,	-		-	-	,	-	,	,	3	,	-	-

9		Year>>	2014 Actual January	2014 Actual February	2014 Actual March	2014 Actual April	2014 Actual May	2014 Actual June	2014 Actual July	2014 Actual August	2014 Actual September	2014 Actual October	2014 Actual November	2014 Actual December	2014 Actual Total
	ATE BASE Plant Balance		0	0	0	0	0	0	0	0	0	0	0	0	0
	Accumulated. Depreciation et Plant in Service		0	0	0	0	0	0	0	0	0	0	0	0	0
	CWIP Calculation		-	_	-	-	-	_	-	_	_	_	-	-	,
	Eligible AFUDC CWIP Additional CWIP		85,810,879 6,369,190	92,180,069 5,733,986	97,914,055 4,981,513	102,895,569 4,056,828	106,952,397 4.370,174	111,322,571 5.544.169	116,866,740 5,190,488	122,057,229 4.595,010	126,652,239 5.041,181	131,693,420 4,952,185	136,645,605 4,798,730	141,444,335 4.467,724	
	Ending Eligible AFUDC CWIP		92,180,069	5,733,986 97,914,055	4,981,513 102,895,569	106,952,397	4,370,174 111,322,571	5,544,169 116,866,740	5,190,488 122,057,229	4,595,010 126,652,239	131,693,420	4,952,185 136,645,605	4,798,730 141,444,335	145,912,059	145,912,05
	AFUDC														
	Additional AFUDC Ending AFUDC		3.544.995	3.544.995	3.544.995	3 544 995	0 3,544,995	3 544 995	0 3.544.995	3.544.995	3.544.995	3.544.995	3.544.995	3,544,995	3,544,99
	AFUDC Rate		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-,,
'	Bag House Exclusion Additional Bag House Exclusion		(662,377)	(595,741)	(518,083)	(421,954)	(454,507)	(576,601)	(539,814)	(477,890)	(524,293)	(514,970)	(499,076)	(464,639)	
	Total Bag House Exclusion		(9,666,384)	(10,262,126)	(10,780,208)	(11,202,163)	(11,656,670)	(12,233,271)	(12,773,085)	(13,250,975)	(13,775,268)	(14,290,238)	(14,789,314)	(15,253,952)	(15,253,95
١.	ADIT Pro-Rated Accumulated Deferred Income Taxes Fedederal & S	State	0	0	0	0	0	0	0	0	0	0	0	0	
	nding Rate Base	Jiato	86,058,680	91,196,925	95,660,356	99,295,229	103,210,897	108,178,464	112,829,139	116,946,259	121,463,147	125,900,363	130,200,017	134,203,102	134,203,10
۸.	verage Rate Base		9,009,580	9,009,580	9,009,580	9,009,580	9,009,580	9,009,580	9,009,580	9,009,580	9,009,580	9,009,580	9,009,580	9,009,580	108,114,95
\alpha\	verage Rate base		9,009,380	9,009,360	9,009,300	9,009,560	9,009,360	9,009,300	9,009,360	9,009,300	9,009,360	9,009,360	9,009,380	9,009,300	100,114,50
Re	eturn on Rate Base		775,790	775,790	775,790	775,790	775,790	775,790	775,790	775,790	775,790	775,790	775,790	775,790	9,309,47
١.	colleble for Datum (a mite a maline of mate base)		500,429	500,429	500,429	500,429	F00 400	500,429	500,429	500,429	500,429	500,429	500,429	500,429	C 00F 4
A	vailable for Return (equity portion of rate base)		500,429	500,429	500,429	500,429	500,429	500,429	500,429	500,429	500,429	500,429	500,429	500,429	6,005,14
	XPENSES														
	l&M and Depreciation Operating Costs		0	0	0	0	0	0	0	0	0	0	0	0	
1	Property Tax		0	0	0	0	0	0	0	0	0	0	0	0	
	Book Depreciation otal O&M and Depreciation Expense		0	0	0	0	0	0	0	0	0	0	0	0	
	·														
In	come before Taxes Available for Return (from above)		500,429	500,429	500,429	500,429	500,429	500,429	500,429	500,429	500,429	500,429	500,429	500,429	6,005,14
	axable Income (grossed up)	1.7056	853,537	853,537	853,537	853,537	853,537	853,537	853,537	853,537	853,537	853,537	853,537	853,537	10,242,44
	come Taxes														
	Current and Def Income Taxes	41.37%	353,108	353,108	353,108	353,108	353,108	353,108	353,108	353,108	353,108	353,108	353,108	353,108	4,237,29
To	otal Income Tax Expense		353,108	353,108	353,108	353,108	353,108	353,108	353,108	353,108	353,108	353,108	353,108	353,108	4,237,29
	EVENUE REQUIREMENTS		050 100	050 100	050 100	050 100	050 100	050 100	050 100	050 100	050 100	050 100	050 100	050 400	4 007 00
	Expenses Return on Rate Base		353,108 775,790	353,108 775,790	353,108 775,790	353,108 775,790	353,108 775,790	353,108 775.790	353,108 775,790	353,108 775,790	353,108 775,790	353,108 775,790	353,108 775,790	353,108 775,790	4,237,29 9.309.47
Sı	ubtotal Revenue Requirements		1,128,898	1,128,898	1,128,898	1,128,898	1,128,898	1,128,898	1,128,898	1,128,898	1,128,898	1,128,898	1,128,898	1,128,898	13,546,77
	Adjustments otal Revenue Requirements		1,128,898	1,128,898	1,128,898	1,128,898	1,128,898	1,128,898	1,128,898	1,128,898	1,128,898	1,128,898	1,128,898	1,128,898	13,546,77
١.															
	Base Demand Factor Peak Demand Factor	75.29% 24.71%	849,891 279,006	849,891 279,006	849,891 279,006	849,891 279,006	849,891 279,006	849,891 279,006	849,891 279,006	849,891 279,006	849,891 279,006	849,891 279,006	849,891 279,006	849,891 279,006	10,198,69 3,348,07
	Minnesota share - E1 factor Minnesota share - D1 factor	51.5408% 48.3009%	438,041 134,763	438,041 134,763	438,041 134,763	438,041 134,763	438,041 134,763	438,041 134,763	438,041 134,763	438,041 134,763	438,041 134,763	438,041 134,763	438,041 134,763	438,041 134,763	5,256,49 1,617,15
				. ,											
M	linnesota Revenue Requirements		572,804	572,804	572,804	572,804	572,804	572,804	572,804	572,804	572,804	572,804	572,804	572,804	6,873,64
SI	UPPORTING INFORMATION / DATA														
Ů.	or o														
			MN Cap Structure Capital Structure	with allowed ROE	per order.	Cost	WA Cost					Property tax			
			Debt	-	48.28%	6.33%	3.06%					2014 composite ra	nte	0.00%	
			Preferred equity		0.00%	0.00% 10.74%	0.00% 5.55%								
			Common equity Total	-	51.72% 100.00%	10.74%		Overall Return							
			Project life (years)		Book 30	Tax 7-year MACRS									
			, ,			•									
			Sta	tutory Tax Rate	41.37%	Federal 31.57%	State								
			Tax c	onversion factor	1.70561										
				Demand Factor Demand Factor	75.29% 24.71%										
				hare - E1 factor	51.5408%										
				hare - D1 factor	48.3009%										
De	eferred Tax														
	ook depreciation		0	0	0	0	0	0	0	0	0	0	0	0	
	ax depreciation-Federal ax depreciation-State		0	0	0	0	0	0	0	0	0	0	0	0	
Fe	ederal deferred income taxes	35.00%	0	0	0	0	0	0	0	0	0	0	0	0	
St	tate deferred income taxes		0	0	0	0	0	0	0	0	0	0	0	0	

Line No.	RATE BASE	Year>>	2015 Actual January	2015 Actual February	2015 Actual March	2015 Actual April	2015 Actual May	2015 Actual June	2015 Projected July	2015 Projected August	2015 Projected September	2015 Projected October	2015 Projected November	2015 Projected December	2015 Projected Total
1 2	Plant Balance Accumulated. Depreciation		0	0	0	0	0	0	0	0	0	0	0	183,447,102	183,447,102
3 1	Net Plant in Service		0	0	0	0	0	0	0	0	0	0	0	183,447,102	183,447,102
5	CWIP Calculation Eligible AFUDC CWIP		145.912.059	152,773,012	158.274.700	167,625,714	176,176,890	183.752.391	187,487,263	187,853,911	189,809,480	193.362.355	196,045,376	200.555.591	
6	Additional CWIP Ending Eligible AFUDC CWIP		6,860,953 152,773,012	5,501,688 158,274,700	9,351,014 167,625,714	8,551,176 176,176,890	7,575,501 183,752,391	3,734,872 187,487,263	366,648 187.853.911	1,955,569 189,809,480	3,552,875 193,362,355	2,683,021 196,045,376	4,510,215 200,555,591	(183,131,343) 17,424,248	
8	AFUDC		152,773,012	158,274,700	107,025,714	176,176,890	183,752,391	187,487,203	187,853,911	189,809,480	193,302,300	190,040,376	200,555,591	17,424,248	
9 10 11	Additional AFUDC Ending AFUDC AFUDC Rate		0 3,544,995 0.00%	0 3,544,995 0.00%	0 3,544,995 0.00%	0 3,544,995 0.00%	0 3,544,995 0.00%	0 3,544,995 0.00%	0 3,544,995 0.00%	0 3,544,995 0.00%	0 3,544,995 0.00%	0 3,544,995 0.00%	0 3,544,995 0.00%	0 3,544,995 0.00%	
12 13 14	Bag House Exclusion Additional Bag House Exclusion Total Bag House Exclusion ADIT Pro-Rated		(713,551) (15,967,503)	(571,925) (16,539,428)	(972,524) (17,511,952)	(889,291) (18,401,243)	(787,863) (19,189,107)	(388,430) (19,577,537)	(38,091) (19,615,627)	(203,336) (19,818,963)	(369,465) (20,188,428)	(278,993) (20,467,421)	(469,030) (20,936,451)	(32,793) (20,969,243)	
15 16 17	Accumulated Deferred Income Taxes Fedederal & St Ending Rate Base	tate	0 140,350,504	0 145,280,267	0 153,658,757	0 161,320,642	0 168,108,280	0 171,454,721	0 171,783,279	0 173,535,512	0 176,718,922	0 179,122,951	0 183,164,136	(10,822,209) 172,624,894	(10,822,209) 172,624,894
18	Average Rate Base		13,662,346	13,662,346	13,662,346	13,662,346	13,662,346	13,662,346	13,662,346	13,662,346	13,662,346	13,662,346	13,662,346	13,662,346	163,948,151
19 20 F	Return on Rate Base		1,176,426	1,176,426	1,176,426	1,176,426	1,176,426	1,176,426	1,176,426	1,176,426	1,176,426	1,176,426	1,176,426	1,176,426	14,117,116
22	Available for Return (equity portion of rate base)		758,862	758,862	758,862	758,862	758,862	758,862	758,862	758,862	758,862	758,862	758,862	758,862	9,106,346
23 24	EXPENSES														
	O&M and Depreciation Operating Costs		0	0	0	0	0	0	0	0	0	0	0	0	0
27	Property Tax		0	0	0	0	0	0	0	0	0	0	0	0	0
28	Book Depreciation Fotal O&M and Depreciation Expense		0	0	0	0	0	0	0	0	0	0	0	0	0
30														·	·
31 I 32	ncome before Taxes Available for Return (from above)		758,862	758,862	758,862	758,862	758,862	758,862	758,862	758,862	758,862	758,862	758,862	758,862	9,106,346
33	Taxable Income (grossed up)	1.7056	1,294,324	1,294,324	1,294,324	1,294,324	1,294,324	1,294,324	1,294,324	1,294,324	1,294,324	1,294,324	1,294,324	1,294,324	15,531,887
34 35 I	ncome Taxes														
36	Current and Def Income Taxes	41.37%	535,462	535,462	535,462	535,462	535,462	535,462	535,462	535,462	535,462	535,462	535,462	535,462	6,425,542
37 38	Total Income Tax Expense		535,462	535,462	535,462	535,462	535,462	535,462	535,462	535,462	535,462	535,462	535,462	535,462	6,425,542
39	REVENUE REQUIREMENTS														
	Expenses		535,462	535,462	535,462	535,462	535,462	535,462	535,462	535,462	535,462	535,462	535,462	535,462	6,425,542
42	Return on Rate Base		1,176,426	1,176,426	1,176,426	1,176,426	1,176,426	1,176,426	1,176,426	1,176,426	1,176,426	1,176,426	1,176,426	1,176,426	14,117,116
43 S	Subtotal Revenue Requirements Adjustments		1,711,888	1,711,888	1,711,888	1,711,888	1,711,888	1,711,888	1,711,888	1,711,888	1,711,888	1,711,888	1,711,888	1,711,888	20,542,658
45 46	Total Revenue Requirements		1,711,888	1,711,888	1,711,888	1,711,888	1,711,888	1,711,888	1,711,888	1,711,888	1,711,888	1,711,888	1,711,888	1,711,888	20,542,658
47	Base Demand Factor	75.29%	1,288,796	1,288,796	1,288,796	1,288,796	1,288,796	1,288,796	1,288,796	1,288,796	1,288,796	1,288,796	1,288,796	1,288,796	15,465,554
48 49	Peak Demand Factor	24.71%	423,092	423,092	423,092	423,092	423,092	423,092	423,092	423,092	423,092	423,092	423,092	423,092	5,077,104
50 51	Minnesota share - E1 factor Minnesota share - D1 factor	51.5408% 48.3009%	664,256 204,357	664,256 204,357	664,256 204,357	664,256 204,357	664,256 204,357	664,256 204,357	664,256 204,357	664,256 204,357	664,256 204,357	664,256 204,357	664,256 204,357	664,256 204,357	7,971,072 2,452,287
52 53	Minnesota Revenue Requirements		868,613	868,613	868,613	868,613	868,613	868,613	868,613	868,613	868,613	868,613	868,613	868,613	10,423,358
Line No.	SUPPORTING INFORMATION / DATA														
1	SOLVER STATE OF STATE														
2			MN Cap Structure Capital Structure	with allowed ROE	per order. Ratio	Cost	WA Cost					Property tax			
4			Debt	_	48.28%	6.33%	3.06%					2015 composite ra	ate	0.00%	
5 6			Preferred equity Common equity		0.00% 51.72%	0.00% 10.74%	0.00% 5.55%								
7			Total	_	100.00%	10.74%		Overall Return							
9					Book	Tax									
10 11			Project life (years)		30	7-year MACRS									
12 13			Sta	tutory Tax Rate	41.37%	Federal 31.57%	State 9.80%								
14			Tax c	onversion factor	1.70561										
15 16				Demand Factor Demand Factor	75.29% 24.71%										
17			MN s	hare - E1 factor	51.5408%										
18 19			MN s	hare - D1 factor	48.3009%										
20	Deferred Tax														
	Book depreciation Fax depreciation-Federal		0	0	0	0	0	0	0	0	0	0	0	0 26,159,557	0 26,159,557
23	Fax depreciation-State		0	0	0	0	0	0	0	0	0	0	0	26,159,557	26,159,557
	Federal deferred income taxes State deferred income taxes	35.00%	0	0	0	0	0	0	0	0	0	0	0	(8,258,572) (2,563,637)	(8,258,572) (2,563,637)
			· ·	· ·	· ·	· ·	· ·	· ·	0	0	0	U	U	(2,000,007)	(2,000,007)

	Year>>	2016 Projected January	2016 Projected February	2016 Projected March	2016 Projected April	2016 Projected May	2016 Projected June	2016 Projected July	2016 Projected August	2016 Projected September	2016 Projected October	2016 Projected November	2016 Projected December	2016 Projected Total
RATE BASE Plant Balance		183,669,932	183,819,918	183.962.987	184,144,993	184,290,778	184,364,122	184,396,898	184,405,431	184,413,963	184.450.689	184.464.051	184,472,584	184.472.584
Accumulated. Depreciation		(509,066)	(1,018,750)	(1,528,850)	(2,039,347)	(2,550,350)	(3,061,757)	(3,573,367)	(4,085,068)	(4,596,793)	(5,108,542)	(5,620,393)	(6,132,281)	(6,132,281
Net Plant in Service CWIP Calculation Eliqible AFUDC CWIP		183,160,866	182,801,168	182,434,137	182,105,646	181,740,428	181,302,365	180,823,531	180,320,362	179,817,170	179,342,147	178,843,659	178,340,303	178,340,303
Additional CWIP Ending Eligible AFUDC CWIP														
AFUDC Additional AFUDC Ending AFUDC														
AFUDC Rate Bag House Exclusion														
Additional Bag House Exclusion Total Bag House Exclusion ADIT Pro-Rated		0.917808	0.841096	0.756164	0.673973	0.589041	0.506849	0.421918	0.336986	0.254795	0.169863	0.087671	0.002740	
Accumulated Deferred Income Taxes Fedederal & S Ending Rate Base	State	(12,055,074) 171,105,792	(13,184,679) 169,616,489	(14,200,090) 168,234,047	(15,105,019) 167,000,627	(15,895,789) 165,844,639	(16,576,134) 164,726,231	(17,142,440) 163,681,091	(17,594,737) 162,725,625	(17,936,715) 161,880,455	(18,164,698) 161,177,449	(18,282,364) 160,561,295	(18,286,041) 160,054,263	(18,286,04° 160,054,26°
Average Rate Base		13,777,134	13,777,134	13,777,134	13,777,134	13,777,134	13,777,134	13,777,134	13,777,134	13,777,134	13,777,134	13,777,134	13,777,134	165,325,60
Return on Rate Base		1,186,310	1,186,310	1,186,310	1,186,310	1,186,310	1,186,310	1,186,310	1,186,310	1,186,310	1,186,310	1,186,310	1,186,310	14,235,72
Available for Return (equity portion of rate base) EXPENSES		765,238	765,238	765,238	765,238	765,238	765,238	765,238	765,238	765,238	765,238	765,238	765,238	9,182,85
O&M and Depreciation Operating Costs		0	0	0	0	0	0	0	0	0	0	0	0	
Property Tax Book Depreciation		0 509,066	0 509,684	0 510,100	0 510,497	0 511,002	0 511,407	0 511,610	0 511,701	0 511,725	0 511,749	0 511,851	0 511,888	6,132,28
Total O&M and Depreciation Expense Income before Taxes		509,066	509,684	510,100	510,497	511,002	511,407	511,610	511,701	511,725	511,749	511,851	511,888	6,132,28
Available for Return (from above) Taxable Income (grossed up)	1.7056	765,238 1,305,199	765,238 1,305,199	765,238 1,305,199	765,238 1,305,199	765,238 1,305,199	765,238 1,305,199	765,238 1,305,199	765,238 1,305,199	765,238 1,305,199	765,238 1,305,199	765,238 1,305,199	765,238 1,305,199	9,182,85 15,662,38
Income Taxes														
Current and Def Income Taxes Total Income Tax Expense	41.37%	539,961 539,961	539,961 539,961	539,961 539,961	539,961 539,961	539,961 539,961	539,961 539,961	539,961 539,961	539,961 539,961	539,961 539,961	539,961 539,961	539,961 539,961	539,961 539,961	6,479,52 6,479,52
REVENUE REQUIREMENTS														
Expenses Return on Rate Base Subtotal Revenue Requirements		1,049,026 1,186,310 2,235,337	1,049,645 1,186,310 2,235,955	1,050,061 1,186,310 2,236,371	1,050,458 1,186,310 2,236,768	1,050,963 1,186,310 2,237,273	1,051,368 1,186,310 2,237,678	1,051,571 1,186,310 2,237,881	1,051,662 1,186,310 2,237,972	1,051,686 1,186,310 2,237,996	1,051,709 1,186,310 2,238,020	1,051,811 1,186,310 2,238,122	1,051,848 1,186,310 2,238,159	12,611,80 14,235,72 26,847,53
Adjustments Total Revenue Requirements		2,235,337	2,235,955	2,236,371	2,236,768	2,237,273	2,237,678	2,237,881	2,237,972	2,237,996	2,238,020	2,238,122	2,238,159	26,847,53
Base Demand Factor Peak Demand Factor	75.29% 24.71%	1,682,875 552,462	1,683,340 552,615	1,683,654 552,718	1,683,953 552,816	1,684,333 552,941	1,684,637 553,041	1,684,791 553,091	1,684,859 553,113	1,684,877 553,119	1,684,895 553,125	1,684,971 553,150	1,684,999 553,159	20,212,18
Minnesota share - E1 factor	51.5408%	867,367	867,607	867,769	867,769	868,119	868,276	868,355	868,390	868,399	868,408	868,448	868,462	10,417,36
Minnesota share - D1 factor Minnesota Revenue Requirements	48.3009%	266,844 1,134,211	266,918 1,134,525	266,968 1,134,736	266,968 1,134,736	267,075 1,135,194	267,124 1,135,399	267,148 1,135,503	267,159 1,135,549	267,162 1,135,561	267,164 1,135,573	267,177 1,135,624	267,181 1,135,643	3,204,88
minnesota Revenue Requirements		1,134,211	1,134,525	1,134,736	1,134,736	1,135,194	1,135,399	1,135,503	1,135,549	1,135,561	1,135,573	1,135,624	1,135,043	13,022,23
SUPPORTING INFORMATION / DATA														
		MN Cap Structure Capital Structure Debt Preferred equity Common equity Total	with allowed ROE	per order. Ratio 48.28% 0.00% 51.72% 100.00%	Cost 6.33% 0.00% 10.74%	WA Cost 3.06% 0.00% 5.55% 8.61%	Overall Return			2	Property tax 2016 composite ra	ate	0.00%	
		Project life (years)		Book 30	Tax 7-year MACRS									
		Tax co Base Peak MN s	ntutory Tax Rate proversion factor Demand Factor Demand Factor hare - E1 factor hare - D1 factor	41.37% 1.70561 75.29% 24.71% 51.5408% 48.3009%	Federal 31.57%	State 9.80%								
Deferred Tax Book depreciation Tax depreciation-Federal Tax depreciation-State		509,066 3,756,036 3,756,036	509,684 3,756,036 3,756,036	510,100 3,756,036 3,756,036	510,497 3,756,036 3,756,036	511,002 3,756,036 3,756,036	511,407 3,756,036 3,756,036	511,610 3,756,036 3,756,036	511,701 3,756,036 3,756,036	511,725 3,756,036 3,756,036	511,749 3,756,036 3,756,036	511,851 3,756,036	511,888 3,756,036 3,756,036	6,132,28 45,072,42 45,072,42
Tax depreciation-State Federal deferred income taxes State deferred income taxes	35.00%	3,756,036 (1,025,068) (318,203)	3,756,036 (1,024,873) (318,142)	3,756,036 (1,024,742) (318,102)	3,756,036 (1,024,616) (318,063)	3,756,036 (1,024,457) (318,013)	3,756,036 (1,024,329) (317,974)	3,756,036 (1,024,265) (317,954)	3,756,036 (1,024,236) (317,945)	3,756,036 (1,024,229) (317,942)	3,756,036 (1,024,221) (317,940)	3,756,036 (1,024,189) (317,930)	3,756,036 (1,024,178) (317,927)	45,072,42 (12,293,40 (3,816,13

Otter Tail Power Company Environmental Cost Recovery Rider Tracker Docket No. E017/M-15-719

		2014											
	TRACKER SUMMARY	January	February	March	April	May	June	July	August	September	October	November	Collection
No.	Requirements Compared to Billed:	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Period
	Revenue Requirements												
1	Air Quality Control System	572,804	572,804	572,804	572,804	572,804	572,804	572,804	572,804	572,804	572,804	572,804	6,300,839
2													
3	Billed (forecast kWh x adj factor)	641,917	619,350	558,128	531,915	473,531	463,639	478,933	483,222	469,917	477,603	510,935	5,709,089
4													
5	Difference	(69,114)	(46,546)	14,675	40,889	99,273	109,165	93,871	89,582	102,886	95,201	61,869	
6	Carrying Charge	0	(496)	(833)	(734)	(446)	263	1,048	1,729	2,385	3,140	3,846	
7	Cummulative Difference	(69,114)	(116,156)	(102,315)	(62,160)	36,667	146,095	241,014	332,325	437,596	535,937	601,651	
8													
9	Carrying Charge Calculation	(496)	(833)	(734)	(446)	263	1,048	1,729	2,385	3,140	3,846	4,317	14,219
10	Cumulative Carrying Charge	(496)	(1,329)	(2,064)	(2,510)	(2,247)	(1,198)	531	2,916	6,056	9,902	14,219	
11	Carrying cost	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%	
12													
13													
14	Forecasted Sales (MWh)												

Approved in Docket E017/M-13-648

SUMMARY	Oct 2013 - Sept 2014
Revenue Requirements	\$6,173,838
Carrying Charge	(38,914)
Total Revenue Requirements	\$6,134,924
Dec 2013 - Sept 2014 projected sales in mWh	2,272,477
Average Rate	\$0.00270

Otter Tail Power Company Environmental Cost Recovery Rider Tracker Docket No. E017/M-15-719

							201	5				
	TRACKER SUMMARY	December	January	February	March	April	May	June	July	August	September	Collection
No.	Requirements Compared to Billed:	Actual	Projected	Projected	Projected	Period						
	Revenue Requirements											
1	Air Quality Control System	572,804	868,613	868,613	868,613	868,613	868,613	868,613	868,613	868,613	868,613	8,390,322
2												
3	Billed (forecast kWh x adj factor)	995,987	1,094,178	1,085,093	1,014,261	921,247	806,366	795,658	947,653	966,792	951,535	9,578,768
4												
5	Difference	(423,183)	(225,565)	(216,479)	(145,648)	(52,633)	62,247	72,956	(79,040)	(98,179)	(82,922)	
6	Carrying Charge	4,317	1,312	(298)	(1,853)	(2,911)	(3,310)	(2,887)	(2,384)	(2,969)	(3,694)	(14,678)
7	Cummulative Difference	182,785	(41,468)	(258,245)	(405,745)	(461,290)	(402,353)	(332,285)	(413,709)	(514,856)	(601,473)	
8												
9	Carrying Charge Calculation	1,312	(298)	(1,853)	(2,911)	(3,310)	(2,887)	(2,384)	(2,969)	(3,694)	(4,316)	
10	Cumulative Carrying Charge	15,530	15,233	13,380	10,468	7,158	4,271	1,887	(1,082)	(4,776)	(9,092)	
11	Carrying cost	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%	
12												
13												
14	Forecasted Sales (MWh)							167,507	199,506	203,535	200,323	770,871
	·							•			-	·

Approved in Docket E017/M-14-647

SUMMARY	Dec 2014 - Sept 2015
Revenue Requirements	\$8,499,737
Carrying Charge	10,073
2014 True Up	778,895
Total Revenue Requirements	\$9,288,706
Oct 2014 - Sept 2015 projected sales in mWh	1,956,441
Average Rate	\$0.00475

Otter Tail Power Company Environmental Cost Recovery Rider Tracker Docket No. E017/M-15-719

			2015						201	16				
Line		October	November	December	January	February	March	April	May	June	July	August	September	Collection
No.	Requirements Compared to Billed:	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Period
	Revenue Requirements													
1	Air Quality Control System	868,613	868,613	868,613	1,134,211	1,134,525	1,134,736	1,134,736	1,135,194	1,135,399	1,135,503	1,135,549	1,135,561	12,821,254
2														
3	Billed (forecast kWh x adj factor)	881,011	974,684	1,058,160	1,193,193	1,165,884	1,097,086	1,023,214	923,393	912,414	972,965	992,353	965,040	12,159,398
4														
5	Difference	(12,397)	(106,071)	(189,547)	(58,981)	(31,359)	37,650	111,522	211,801	222,986	162,537	143,195	170,521	
6	Carrying Charge	(4,316)	(4,436)	(5,229)	(6,626)	(7,097)	(7,373)	(7,156)	(6,407)	(4,933)	(3,369)	(2,226)	(1,215)	(60,383)
7	Cummulative Difference	(618,186)	(728,693)	(923,468)	(989,076)	(1,027,533)	(997,256)	(892,890)	(687,496)	(469,444)	(310,275)	(169,306)	0	
8														
9	Carrying Charge Calculation	(4,436)	(5,229)	(6,626)	(7,097)	(7,373)	(7,156)	(6,407)	(4,933)	(3,369)	(2,226)	(1,215)	0	
10	Cumulative Carrying Charge	(13,528)	(18,757)	(25,383)	(32,481)	(39,854)	(47,010)	(53,417)	(58,350)	(61,718)	(63,945)	(65,160)	(65,160)	
11	Carrying cost	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%	
12														
13														
14	Forecasted Sales (MWh)	190,380	210,623	228,661	257,841	251,939	237,073	221,110	199,539	197,166	210,251	214,441	208,538	2,627,562

SUMMARY	Oct 2015 - Sep 2016
Revenue Requirements	\$12,821,254
Carrying Charge	(60,383)
2014 - 2015 True Up	(601,473)
Total Revenue Requirements	\$12,159,398
Oct 2015 - Sept 2016 projected sales in mWh	2,627,562
Average Rate	\$0.00463

Rate Design

Minnesota Revenue Requirements

\$12,159,398

Percent of Revenue

\$171,525,718
\$12,159,398
7.089%

CERTIFICATE OF SERVICE

RE: In the Matter of Otter Tail Power Company's Petition for Approval of the Annual Rate Update to its Environmental Upgrades Cost Recovery Rider Rate, Rate Schedule 13.08

Docket No. E017/M-15-719

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

Otter Tail Power Company Supplemental Filing – UPDATED ATTACHMENTS

Dated this 21 day of December, 2015

/s/ NANCY OLSON

Nancy Olson Regulatory Filing Coordinator Otter Tail Power Company 215 South Cascade Street Fergus Falls MN 56537 (218) 739-8376

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Christopher	Anderson	canderson@allete.com	Minnesota Power	30 W Superior St Duluth, MN 558022191	Electronic Service	No	OFF_SL_15-719_M-15-719
Julia	Anderson	Julia.Anderson@ag.state.m n.us	Office of the Attorney General-DOC	1800 BRM Tower 445 Minnesota St St. Paul, MN 551012134	Electronic Service	Yes	OFF_SL_15-719_M-15-719
Peter	Beithon	pbeithon@otpco.com	Otter Tail Power Company	P.O. Box 496 215 South Cascade S Fergus Falls, MN 565380496	Electronic Service treet	No	OFF_SL_15-719_M-15-719
Ray	Choquette	rchoquette@agp.com	Ag Processing Inc.	12700 West Dodge Road PO Box 2047 Omaha, NE 68103-2047	Electronic Service	No	OFF_SL_15-719_M-15-719
James C.	Erickson	jericksonkbc@gmail.com	Kelly Bay Consulting	17 Quechee St Superior, WI 54880-4421	Electronic Service	No	OFF_SL_15-719_M-15-719
Emma	Fazio	emma.fazio@stoel.com	Stoel Rives LLP	33 South Sixth Street Suite 4200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_15-719_M-15-719
Sharon	Ferguson	sharon.ferguson@state.mn .us	Department of Commerce	85 7th Place E Ste 500 Saint Paul, MN 551012198	Electronic Service	No	OFF_SL_15-719_M-15-719
Bruce	Gerhardson	bgerhardson@otpco.com	Otter Tail Power Company	PO Box 496 215 S Cascade St Fergus Falls, MN 565380496	Electronic Service	No	OFF_SL_15-719_M-15-719
Shane	Henriksen	shane.henriksen@enbridge .com	Enbridge Energy Company, Inc.	1409 Hammond Ave FL 2 Superior, WI 54880	Electronic Service	No	OFF_SL_15-719_M-15-719
Richard	Johnson	Rick.Johnson@lawmoss.co m	Moss & Barnett	150 S. 5th Street Suite 1200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_15-719_M-15-719
James D.	Larson	james.larson@avantenergy .com	Avant Energy Services	220 S 6th St Ste 1300 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_15-719_M-15-719

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Douglas	Larson	dlarson@dakotaelectric.co m	Dakota Electric Association	4300 220th St W Farmington, MN 55024	Electronic Service	No	OFF_SL_15-719_M-15-719
John	Lindell	agorud.ecf@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012130	Electronic Service	Yes	OFF_SL_15-719_M-15-719
Kavita	Maini	kmaini@wi.rr.com	KM Energy Consulting LLC	961 N Lost Woods Rd Oconomowoc, WI 53066	Electronic Service	No	OFF_SL_15-719_M-15-719
Andrew	Moratzka	apmoratzka@stoel.com	Stoel Rives LLP	33 South Sixth Street Suite 4200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_15-719_M-15-719
Gary	Oetken	goetken@agp.com	Ag Processing, Inc.	12700 West Dodge Road P.O. Box 2047 Omaha, NE 681032047	Electronic Service	No	OFF_SL_15-719_M-15-719
Debra	Opatz	dopatz@otpco.com	Otter Tail Power Company	215 South Cascade Street Fergus Falls, MN 56537	Electronic Service	No	OFF_SL_15-719_M-15-719
David G.	Prazak	dprazak@otpco.com	Otter Tail Power Company	P.O. Box 496 215 South Cascade S Fergus Falls, MN 565380496	Electronic Service treet	No	OFF_SL_15-719_M-15-719
Larry L.	Schedin	Larry@LLSResources.com	LLS Resources, LLC	12 S 6th St Ste 1137 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_15-719_M-15-719
Cary	Stephenson	cStephenson@otpco.com	Otter Tail Power Company	215 South Cascade Street Fergus Falls, MN 56537	Electronic Service	No	OFF_SL_15-719_M-15-719
Stuart	Tommerdahl	stommerdahl@otpco.com	Otter Tail Power Company	215 S Cascade St PO Box 496 Fergus Falls, MN 56537	Electronic Service	No	OFF_SL_15-719_M-15-719

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Daniel P	Wolf	dan.wolf@state.mn.us	Public Utilities Commission	121 7th Place East Suite 350 St. Paul, MN 551012147	Electronic Service	Yes	OFF_SL_15-719_M-15-719