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December 4, 2023

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

**PUBLIC DOCUMENT –
NOT PUBLIC (OR PRIVILEGED)
DATA HAS BEEN EXCISED**

**RE: In the Matter of Otter Tail Power Company's Petition for Approval of the
Annual Update to its Renewable Resource Cost Recovery Rider Rate,
Rate Schedule 13.04
Docket No. E017/M-23-
Initial Filing**

Dear Mr. Seuffert:

Otter Tail Power Company (Otter Tail) hereby submits to the Minnesota Public Utilities Commission (Commission) its Petition for approval of its annual update to the Renewable Resource Cost Recovery Rider Rate under Otter Tail's Rate Schedule 13.04.

Otter Tail has taken reasonable efforts to maintain the secrecy of the information marked as PROTECTED DATA in Attachments 14 and 15, which derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use (the "Protected Data"). The Protected Data is therefore "trade secret information" and "nonpublic data" under Minn. Stat. § 13.37.

We have electronically filed this document with the Commission and copies have been served on all parties on the attached service list. A Certificate of Service is also enclosed.

If you have any questions regarding this filing, please contact me at 218-739-8313 or at eketelsen@otpc.com.

Sincerely,

/s/ *EMILY KETELSEN*
Emily Ketelsen
Rates Analyst
Regulatory Economics

sjw
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
the Annual Update to its Renewable
Resource Cost Recovery Rider Rate,
Rate Schedule 13.04**

Docket No. E017/M-23-

SUMMARY OF FILING

On December 4, 2023, Otter Tail Power Company (Otter Tail) filed a petition with the Minnesota Public Utilities Commission for approval of its updated to the Renewable Resource Cost Recovery Rider rate under Otter Tail's Schedule 13.04. This petition requests an effective date of July 1, 2024, for the cost recovery of the Hoot Lake Solar project and Ashtabula III Wind Facility, the difference in production tax credits (PTCs) in base rates and the actual PTCs generated for the Merricourt Wind Energy Center, and the cost recovery for the Wind Facility Upgrade Projects at Langdon, Ashtabula I, Luverne, and Ashtabula III Wind Facilities.

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

**In the Matter of Otter Tail Power
Company's Petition for Approval of
the Annual Update to its Renewable
Resource Cost Recovery Rider Rate,
Rate Schedule 13.04**

**Docket No. E017/M-23-

PETITION**

I. FILING SUMMARY

- A. This filing for Otter Tail Power Company's (Otter Tail or Company) Renewable Resource Cost Recovery Rider (RRCR) rider includes annual updated actual and forecasted costs and collections associated with the following:
1. The difference between Merricourt Wind Energy Center (Merricourt) Production Tax Credits (PTCs) in 2021 Test Year base rates and actual PTCs generated by Merricourt.
 2. The Hoot Lake Solar Project (HLS) with updates reflecting the election of PTCs vs. Investment Tax Credits (ITC) for the project.
 3. The Ashtabula III wind farm (Ashtabula III).
 4. Wind Energy Facility Equipment Upgrades (Upgrade Project) to repower the following four wind facilities:
 - a. Langdon,
 - b. Ashtabula I,
 - c. Luverne, and
 - d. Ashtabula III.
- B. The Minnesota projected revenue requirement for the recovery period of July 1, 2024, through June 30, 2025, is \$8,006,952.
- C. The RRCR rider maintains a per kWh and per kW for Large General Service (LGS) customers and a per kWh for all other customers.
- D. The proposed rate is a decrease from last year's filing. A residential customer using 1,000 kWh will see a monthly bill decrease of approximately \$3.67.

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. Rules 7829.1300, Subp. 3, the following information is provided.

A. Name, address, and telephone number of utility

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

Otter Tail Power Company
215 South Cascade Street
Fergus Falls, Minnesota 56538-0496
(218) 739-8200

B. Name, address, and telephone number of utility attorney

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

Lauren D. Donofrio
Senior Associate General Counsel
Otter Tail Power Company
215 South Cascade Street
Fergus Falls, Minnesota 56538-0496
(218) 739-8774

C. Date of filing and proposed effective date of rates

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

The date of the filing is December 4, 2023. Otter Tail proposes the RRCR rates become effective July 1, 2024, or on the first day of the month following Commission approval, should its decision be thereafter.

D. Statutes controlling schedule for processing the filing

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

Minn. Stat. § 216B.16 permits a utility to implement a proposed rate change after giving the Commission a 60-day notice. This filing is a “miscellaneous tariff filing” as defined by the Commission’s rules at Minn. Rules 7829.0100, Subp. 11. No determination of Otter Tail’s overall revenue requirement is necessary or required under the statute. Minn. Rules 7829.1400, Subps. 1 and 4 permit comments in response to a miscellaneous tariff filing to be filed within 30 days and reply comments to be filed no later than ten days thereafter.

E. Title of utility employee responsible for filing

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

Emily Ketelsen
Rates Analyst, Regulatory Economics
Otter Tail Power Company
215 South Cascade Street
Fergus Falls, Minnesota 56537
(218) 739-8313

Paula Foster
Supervisor, Regulatory Analysis, Regulatory Economics
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(218) 739-8042

F. Impact on Rates

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

The RRCR has no effect on Otter Tail's current base rates. The additional information required under this Rule is included throughout the Petition.

G. 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:

Emily Ketelsen
Rates Analyst
Regulatory Economics
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215 South Cascade Street
P.O. Box 496
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(218) 739-8042
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We request that all communications regarding this proceeding, including data requests, also be directed to:

Regulatory Filing Coordinator
Otter Tail Power Company
215 South Cascade Street
P.O. Box 496
Fergus Falls, MN 56538-0496
regulatory_filing_coordinators@otpc.com

H. 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 AND PURPOSE OF FILING

In Section A below, Otter Tail provides a background summary of its RRCR including the most recently approved update. In Section B, Otter Tail provides an overview of the components included in the RRCR tracker.

A. Background

Otter Tail's RRCR was originally established in Docket Nos., E017/M-08-119 and E017/M-08-131.¹ On January 10, 2018, the Commission approved cost recovery of Merricourt Wind.² At the time of interim rates, Merricourt Wind was incorporated into base rates in Otter Tail's last general rate case³ along with a fixed amount of associated PTCs. On April 29, 2021, the Commission approved cost recovery of the Hoot Lake Solar project in the RRCR with 100 percent of the project costs to be allocated to Minnesota customers.⁴ On November 12, 2021, Otter Tail requested the approval to acquire from NextEra Energy, Inc. (NextEra) certain wind-powered electric generating assets physically located on the Ashtabula III Project Site in North Dakota, with the nameplate capacity of approximately

¹ Minnesota Public Utility Commission August 15, 2008, Order Approving Rider, Purchase Power Agreement, Variance and Eligibility, and Adding Requirements.

² Docket No. E017/M-17-279.

³ Docket No. E017/GR-20-719.

⁴ In the Matter of Otter Tail Power Company's Petition for Approval of the Hoot Lake Solar Project Docket No. E017/M-20-844.

62.4 Megawatts.⁵ The Commission approved Otter Tail’s purchase of the Ashtabula III assets on October 6, 2022, at its regular agenda meeting.⁶

In this Petition, Otter Tail is truing up the difference between PTCs collected in Base Rates and actual PTC production for Merricourt Wind and recovering updated costs associated with the Hoot Lake Solar project including the election of PTCs vs. ITCs, the Ashtabula III Purchase, and the Upgrade Projects for the Luverne, Langdon, Ashtabula, and Ashtabula III wind farms.

For additional background, Otter Tail provides Table 1 detailing the history of the RRCR since inception.

Table 1
RRCR History

RRCR History	Description	Docket Number
Original	Original RRCR Rider and RRCR Factor	E017/M-08-119 and E017/M-08-131
1 st – 3 rd Revision	2009 Annual Update	E017/M-08-1529
4 th Revision	2010 Annual Update	E017/M-09-1484
5 th Revision	2010 General Rate Case	E017/GR-10-239
6 th Revision	2012 Annual Update	E017/M-12-708
7 th Revision	2017 General Rate Case	E017/GR-15-1033
8 th Revision	2018 Annual Update	E017/M-18-390
9 th Revision	2019 Implementation of a New Customer Information System	E017/M-18-380
10 th Revision	2019 Annual Update	E017/M-19-411
11 th Revision	2020 General Rate Case	E017/GR-20-719
12 th Revision	2021 Annual Update	E017/M-21-830
13 th Revision	2022 Annual Update	E017/M-22-577

B. Overview of Filing Attachments

Attachment 1 to this filing is a summary of the proposed \$8,006,952 revenue requirement calculated for the July 1, 2024, through June 30, 2025, recovery

⁵ In the Matter of the Petition of Otter Tail Power Company for Approval of a Transfer of a Property Docket No. E017/PA-21-793.

⁶ The Commission issued its Order approving Otter Tail’s Petition to acquire Ashtabula III on October 24, 2022.

period. Attachment 2 to this filing calculates the RRCR rate for this update at \$0.00306 per kWh for non-large general service Solar Energy Standard (SES)-paying customers and \$0.00463 per kWh for non-LGS, SES-exempt customers. Attachment 2 also provides the rate design calculations for SES-paying and SES-exempt LGS customers in both an energy charge, per kWh, and demand charge, per kW. Attachment 3 is the Renewable Resource Cost Recovery Rider Tracker. Attachment 4 provides the calculation of true-up of actual Merricourt Wind PTCs compared to PTCs collected in base rates. Attachments 5 and 6 provide the Revenue Requirement calculations for the Hoot Lake Solar project and the Ashtabula III purchase, respectively. Attachments 7, 8, 9, and 10 provide the Revenue Requirement calculations and PTC calculations for the Langdon, Ashtabula I, Luverne, and Ashtabula III Upgrade Projects, respectively. Attachment 11 provides an estimation of the impact of proration of Accumulated Deferred Income Taxes (ADIT) for the revenue requirement period, July 2024 through June 2025. Attachments 12 and 13 provide the calculation of the preservation of ADIT proration for the previous recovery period, July 2023 through June 2024, for the Non-Solar Projects and Solar Projects. Consistent with treatment approved in Docket No. E017/M-21-830, Attachments 14 and 15 calculate and allocate the value of the solar capacity benefit SES-exempt customers are receiving, which is then incorporated into the rate design in Attachment 2. Attachment 16 includes proposed revisions to Rate Schedule 13.04. Finally, Attachment 17 is Otter Tail's proposed customer notice.

C. Components included in this RRCR Tracker

This section contains detailed descriptions of the components of the rider listed above.

PTCs included in Base Rates versus Actual

The RRCR allows Otter Tail to true up the difference between Merricourt PTCs included in Base Rates and actual Merricourt PTCs generated. Otter Tail began to true up Merricourt Wind PTCs in January 2021. In Attachment 4, actual PTCs generated by Merricourt Wind (Line No. 13) are compared to the PTC amounts included in Base Rates (Line No. 6). The difference is reflected in Attachment 3 (Tracker), Line No. 1, PTCs.

Hoot Lake Solar Project

The Commission approved the Hoot Lake Solar project for RRCR recovery with the Order dated April 29, 2021, in Docket No. E017/M-30-844 (order points, 1, 2, 3, 8).

The Hoot Lake Solar project is a 49.9 MW solar generating facility located at the site of Otter Tail's retired coal-fired Hoot Lake Plant in Fergus Falls, Minnesota.⁷ Commercial operation of Hoot Lake Solar began on August 8, 2023.

With the passage of the Inflation Reduction Act, companies are allowed to choose between earning PTCs or ITCs for most renewable projects, including solar farms. At the time of Otter Tail's initial RRCR filing seeking approval for the Hoot Lake Solar project,⁸ Otter Tail's analysis showed ITCs were more beneficial to customers, providing the least cost. Since that time, Otter Tail has discovered its initial methodology to claim ITCs on the Hoot Lake Solar project was incorrect due to prior elections made decades ago on how Federal ITCs should be accounted for.

Federal laws require Otter Tail to meet Federal normalization requirements for ITC recognition, such as the requirements pertaining to depreciation. The Tax Reform Act of 1971 provided three options for recognition and required companies to elect one irrevocable option at that time that would be applied to all future projects. The option chosen by Otter Tail flows the benefits of the credit to customers over the life of the asset. Per IRS requirements, Otter Tail cannot return the credit faster than amortizing over the asset's useful life. However, under this option companies may not reduce rate base by any portion of the credit.

In Otter Tail's original RRCR analysis for the Hoot Lake Solar project, the cost of service was reduced by the ratable portion of the ITC generated and rate base was reduced by the unamortized balance of the ITC. As per the Federal requirements noted above, this recognition is not permitted for Federal tax credits.

Otter Tail refreshed its analysis of the use of PTCs vs the allowed accounting for ITCs and found that electing to claim PTCs on the Hoot Lake Solar project provided a significantly lower cost for customers. This filing reflects the change from ITCs to PTCs with Hoot Lake Solar earning PTCs beginning January 2023. The impact due to this adjustment to PTCs from January 2023 through June 2025 is a reduction of approximately \$4 million in the revenue requirement.

⁷ The Hoot Lake Coal Plant ceased operations May 31, 2021.

⁸ In the Matter of Otter Tail Power Company's Petition for Approval of the Hoot Lake Solar Project Docket No. E017/M-20-844.

Ashtabula III Wind Project

Otter Tail entered a PPA with Ashtabula III, LLC in 2013 which included an option for Otter Tail to purchase the wind facility assets in 2023. The Commission approved the PPA and its recovery through the Fuel Clause Adjustment with an order dated August 23, 2013, in Docket No. E017/M-13-386. Consistent with the option to purchase in the PPA in July 2021, Otter Tail purchased the wind facility assets in January 2023.

The Ashtabula III wind facility assets include 39 wind generators with an aggregate nameplate of 62.4 MW that were placed into service in 2010, real estate interests, substation assets, and licenses and permits necessary to own and operate the wind facility.

Wind Farm Upgrade Projects

Otter Tail has four facilities that qualify for PTCs through the Inflation Reduction Act (IRA). Otter Tail plans to upgrade the Langdon, Luverne, Ashtabula I, and Ashtabula III Wind Energy Facilities in 2024 and 2025. These upgrades involve replacing certain turbine technology. The Upgrade Projects will consist of removing and replacing the existing General Electric blades, hub, and gearbox with upgraded technology and increased blade rotor diameters. All 131 turbines repowered will reuse the existing 80-meter structural steel towers and existing nacelles. Otter Tail plans to use the existing turbine foundations (with reinforcement, if needed), collection and communication systems, and permanent access roads. Other associated facilities will remain unchanged. Installation of the upgraded equipment is expected to increase energy generation at the facilities by more than 20 percent annually. Total capital costs for the projects are estimated to be \$230 million (OTP Total) / \$123.2 million (OTP MN). Otter Tail expects that these projects will generate more than \$23 million⁹ (OTP Total) / \$12.3 million (OTP MN) in PTCs annually. The Commission approved the original projects for recovery in Docket No. E017/M-08-119¹⁰ (Langdon), Docket No. E017/M-08-1055¹¹ (Ashtabula I), Docket No. E017/M-09-883¹² (Luverne), and Docket Nos. E017/M-13-386¹³ and E017/PA-21-793¹⁴ (Ashtabula III).

The Commission found that the original projects met the definition of “eligible energy technology” under Minn. Stat. SS216B.1691, subd. 1, (a)(2)

⁹ 832,000 MWh x \$28/MWh PTC rate = 23,296,000.

¹⁰ Commission’s August 15, 2008, Order in Docket No. E017/M-08-119.

¹¹ Commission’s June 16, 2009, Order in Docket No. E017/M-08-1055.

¹² Commission’s January 27, 2010, Order in Docket No. E017/M-09-883.

¹³ Commission’s August 23, 2013, Order in Docket No. E017/M-13-386.

¹⁴ Commission’s November 12, 2021, Order in Docket No. E017/PA-21-793.

(energy technology that generates electricity from wind.) Therefore, they count towards Otter Tail's renewable energy objective (REO) and renewable energy standard (RES) requirements and are eligible for recovery in the renewable resource cost recovery rider. The technology remains the same in the facilities as originally constructed and approved by the Commission and will continue to generate renewable energy credits that can be retired in the Midwest Renewable Energy Tracking System (M-RETS) and count towards Otter Tail's REO and RES requirements. Otter Tail requests approval of these projects in this filing.

Tracker Balance

Otter Tail maintains a tracker account worksheet and accounting system to track and account for PTCs included in Base Rates compared to the Actual PTCs generated, track the actual costs for Hoot Lake Solar and Ashtabula III versus the amount recovery through Minnesota retail revenue, and tracks the costs and PTCs associated with the repowering of Langdon, Ashtabula I, Luverne, and Ashtabula III wind facilities. When submitting annual filings, the tracker account is updated so that any over/under recovered amount at the end of the previous recovery period is reflected in the RRRCR adjustments for the upcoming recovery period. The tracker summary balance is included in Attachment 3, and the details for PTCs, Hoot Lake Solar, Ashtabula III, and the repower projects for Langdon, Ashtabula I, Luverne, and Ashtabula III are included in Attachments 4, 5, 6, 7, 8, 9, and 10, respectively.

Specifically, the calculations of the revenue requirement in this Petition include the following:

- **Rate Base Section.** This section provides details on the amount of plant in service, accumulated depreciation (if applicable), construction work in progress (CWIP), accumulated deferred taxes including the effect of proration of Federal amounts, and a 13-month average rate base calculation.
- **Construction Work in Progress (CWIP).** Minn. Stat. §216B.1692 allows a current return on CWIP.
- **Expense Section.** The expenses applicable to a project are listed here and include operating costs, ground lease payments, property or production taxes, property tax adjustment, depreciation, and income taxes.
- **Revenue Requirements Section.** This section shows the components of the revenue requirements, including expenses and return on rate base.

- **Return on Investment (Cost of Capital).** Otter Tail uses the cost of capital as approved in Otter Tail’s most recent general rate case.¹⁵
- **Depreciation Expense.** Depreciation expense is calculated using the Company’s current composite depreciation rate.
- **Property or Production Tax.** The property tax calculation is based on Otter Tail’s composite tax rate for the jurisdiction in which the facilities are located and is calculated in accordance with the procedures specified by that state. The Upgrade Projects are exempt while in CWIP. Hoot Lake Solar is subject to the solar energy production tax rate of \$1.20 per megawatt hour produced. Ashtabula III is subject to taxes consisting of the following two components:
 1. A State tax of \$2.50 per kilowatt times the rated capacity of the wind generator.
 2. A State tax of one-half of one mill per kilowatt-hour of electricity generated by the wind generator during the taxable period.

Otter Tail also includes an expense reduction for the property taxes to recognize the time value of money. In Otter Tail’s most recent general rate case, it was determined that the relative amount of expense reduction was equivalent to 77 percent of property tax expense.¹⁶ This reduction can be seen on Line No. 34 in Attachment 5 and Line No. 31 in Attachment 6. Otter Tail includes the adjustment during the proposed revenue requirement period. In subsequent Rider filings, the prior recovery period adjustment will be removed to ensure Otter Tail collects the correct amount of property or production tax.

- **Operation and Maintenance Expense.** Otter Tail tracks the operation and maintenance costs specifically related to Hoot Lake Solar and Ashtabula III in Attachments 5 and 6.
- **Proration of Federal Accumulated Deferred Income Taxes (ADIT).** Otter Tail has included proration of Federal ADIT for Hoot Lake Solar and Ashtabula III. Once the repowering of Langdon, Ashtabula I, and Luverne is completed, Otter Tail will include proration of Federal ADIT for these projects. The methodology used for the proration of Federal ADIT is in

¹⁵ Docket No. E017/GR-20-719.

¹⁶ Jurisdictional Cost of Service Study – Cash Working Capital Calculation by the Application of Lead Lag Factors, Page 19-1 Property Taxes Operating Expense / Net Revenue Lag Dollars $([\$5.9\text{M}]/\$7.7\text{M} = [7 \text{ percent}])$.

adherence to United States Internal Revenue Service (IRS) rules related to proration, including recently issued IRS private letter rulings. Otter Tail interprets this to include proration of Federal ADIT for the (forward-looking) recovery period and, in future filings, preserving the effect of the application of proration methodology for the true-up period. This calculation methodology is necessary to comply with Section 1.167(l)-l(h)(6)(ii) of the IRS regulations and to avoid a tax normalization violation.¹⁷ Attachment 11 to this filing shows the projected Federal ADIT proration calculation impact on the revenue requirement for the recovery period. Otter Tail provides Attachment 12 and 13 calculating ADIT balances to preserve the effect of the application of the proration methodology for the true-up period. Attachment 12 is for non-solar projects and is incorporated on Line No. 8 of Attachment 3. Attachment 13 is for solar projects (or projects 100 percent allocated to Minnesota) and is incorporated on Line No. 15 of Attachment 3.

- **Federal Production Tax Credit (PTC).** Merricourt Wind began generating PTCs as individual wind generators were brought on-line, beginning in October of 2020. The entire wind farm was completed and placed into service in December 2020. The estimated rate for Merricourt is \$28 per megawatt hour for the recovery period. The difference between the number of PTCs included in Base Rates and actual PTCs generated are trued up in this Rider as reflected in Attachment 4 and incorporated into Attachment 3 (Tracker). Hoot Lake Solar began earning PTCs in January 2023. The estimated rate for Hoot Lake Solar is \$30.50 per megawatt hour for the recovery period. The impact of these PTCs is appropriately incorporated into the revenue requirement in Attachment 5. When the Langdon, Ashtabula I, Luverne, and Ashtabula III repower projects are complete, these wind farms will begin to generate PTCs. The estimated rate for these projects is \$27.50 per megawatt hour for the recovery period. The impact of these PTCs is appropriately incorporated into the revenue requirements in Attachments 7, 8, 9, and 10.
- **Jurisdictional Allocation Factors.** Jurisdictional allocators are used to allocate system costs among jurisdictions. Otter Tail uses Minnesota jurisdictional allocation factors as approved in Otter Tail's most recent general rate case.¹⁸ The Hoot Lake Solar project deviates from the typical

¹⁷ See Treas. Reg. SS 1.167(l)-l(h)(6)(ii).

¹⁸ Docket No. E017/GR-20-719.

jurisdictional allocation methodology as it was approved by the Commission to be allocated 100 percent to Minnesota (Attachment 5, Line No. 56).

V. RATE DESIGN

Otter Tail proposes to use the rate design as approved in Otter Tail's previous RRCR filing, which included demand and energy components.¹⁹ The rate design is shown in Attachment 2 with proposed rates reflected in Rows 1-17. The proposed rates assume that they will be in effect beginning July 1, 2024.

To comply with Minn. Stat. §216B.1691 Subd. 2f(f)(2) paper mills, wood product manufacturers, sawmills, and oriented strand board manufacturers may not have included in the rates charged to them by the public utility any costs of satisfying the SES. For rate design purposes, Otter Tail previously created a new Customer Class, "SES-Exempt" for those customers and computed separate rates for those customers which exclude Otter Tail's costs for compliance with the SES. Revenue requirements and associated incremental rates applicable to solar and non-solar revenue components are detailed in Rows 18-74 of Attachment 2. SES-exempt customers are still obligated to pay for the capacity benefit associated with Solar resources. This is incorporated into Attachment 2, 51, 53, and 64-69. Workpapers for the capacity benefit calculation and allocation are included on Attachments 14 and 15, respectively.

VI. REVENUE REQUIREMENTS, RATE APPLICATION AND IMPACT

Otter Tail proposes that the RRCR continue to be applicable to electric service under all of Otter Tail's retail rate schedules as defined in Rate Schedule 13.04. The charge will continue to be included as part of the Resource Adjustment line on customers' bills.

The total revenue requirement for the proposed recovery period as shown on Line 7 in Attachment 1, is \$8,006,952. For a residential customer using 1,000 kWh per month, the bill impact is a decrease of \$3.68 per month from current rates. For a LGS customer using 400,000 kWh and 1,000 kW per month, the bill impact is a decrease of \$549 per month from current rates.

VII. CUSTOMER NOTIFICATION AND BILLING

Attachment 17 is the proposed notice to customers that will be included with customer bills in the month that the new RRCR rates are implemented.

¹⁹ Docket No. E017/22-577.

VIII. RENEWABLE RESOURCE COST RECOVERY RIDER RATE SCHEDULE

Otter Tail's updated Rate Schedule Section 13.04 is provided in Attachment 16 to this Petition in both redline and clean versions.

In addition to the proposed new rates, Otter Tail is taking this opportunity to add the definition of Adjustment for Excess Reactive Demand to this Rate Schedule. The proposed rate design has not changed. This update to the Rate Schedule is part of Otter Tail's ongoing effort to enhance communications with customers in a manner that is clear and easy to understand.

IX. CONCLUSION

Otter Tail respectfully requests the Commission approve the 2023 RRCR annual rate adjustment as set forth in this Annual Update filing and other tariff updates as described to be in effect for the service dates July 1, 2024, through June 30, 2025, as explained in this Petition.

Dated: December 4, 2023

Respectfully submitted,

OTTER TAIL POWER COMPANY

By: /s/ EMILY KETELSEN

Emily Ketelsen

Rates Analyst

Regulatory Economics

Otter Tail Power Company

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OTTER TAIL POWER COMPANY
RENEWABLE RESOURCE COST RECOVERY RIDER FILING ATTACHMENTS

Attachment 1	Revenue Requirements Summary
Attachment 2	Rate Design
Attachment 3	Renewable Resource Cost Recovery Rider Tracker
Attachment 4	Merricourt Production Tax Credits
Attachment 5	Hoot Lake Solar
Attachment 6	Ashtabula III
Attachment 7	Langdon Repower
Attachment 8	Ashtabula I Repower
Attachment 9	Luverne Repower
Attachment 10	Ashtabula III Repower
Attachment 11	ADIT Proration Projection
Attachment 12	ADIT Proration Preservation – Non-Solar Projects
Attachment 13	ADIT Proration Preservation – Solar Projects (100% Allocation to MN)
Attachment 14	Solar Capacity Benefit Calculation
Attachment 15	Solar Capacity Benefit Allocation
Attachment 16	Renewable Resource Cost Recovery Rider, Electric Rate Schedule 13.04
Attachment 17	Customer Notice

Otter Tail Power Company
Minnesota Renewable Resource Rider
Summary of Revenue Requirements

(A) (B)

Line No.	July 2024 - June 2025	
1	Revenue Requirements	
2	Non-Solar Revenue Requirements	9,578,869
3	Solar Revenue Requirements	3,434,752
4	Carrying Cost	-
5	True Up	(5,006,668)
6		
7	Total	8,006,952

Otter Tail Power Company
Minnesota Renewable Resource Rider
Class Allocation and Current Rate Design

Line No.							
1	Total Minnesota Revenue Requirements						
2	\$ 8,006,952 July 1, 2024 - June 30, 2025						
3							
4	LGS			All others			
5		Rate	Billing Units**	Revenue	Rate	Billing Units**	Revenue
6	SES-paying						
7	kWh billing	\$0.00239	1,544,628,698	\$3,687,553	\$0.00306	998,301,128	\$3,056,794
8	kW billing	\$0.371	2,606,529	\$966,823	n/a	n/a	n/a
9	SES-exempt						
10	kWh billing	\$0.00177	66,449,492	\$117,291	\$0.00463	629,157	\$2,911
11	kW billing	\$0.530	331,380	\$175,580	n/a	n/a	n/a
12							
13							
14	Minnesota			\$4,947,247			\$3,059,705
15							
16							
17						Total Minnesota revenue	\$8,006,952
18	Non-Solar Minnesota Revenue Requirements						
19	\$ 5,893,636 July 1, 2024 - June 30, 2025						
20							
21		Weighting	LGS		All others		Total
22	MN E2*	78.25%	61.67%	\$2,843,736	38.334%	\$1,767,779	\$4,611,515
23							
24	MN D1*	21.75%	60.17%	\$771,448	39.830%	\$510,673	\$1,282,122
25							
26	Minnesota			\$3,615,184		\$2,278,452	\$5,893,636
27							
28							
29							
30		LGS			All others		
31		Rate	Billing Units**	Revenue	Rate	Billing Units**	Revenue
32							
33	kWh billing	\$0.00177	1,611,078,190	\$2,843,736	\$0.00228	998,930,285	\$2,278,452
34							
35	kW billing	\$0.263	2,937,909	\$771,448	n/a	n/a	n/a
36							
37							
38	Minnesota			\$3,615,184			\$2,278,452
39							
40						Non-Solar Minnesota revenue	\$5,893,636
41							
42	Solar Minnesota Revenue Requirements						
43	\$ 2,113,316 July 1, 2024 - June 30, 2025						
44							
45	Solar Minnesota Revenue Requirements						
46	SRecs	Energy only					
47		Weighting	LGS		All others		Total
48							
49	MN E2*	73.75%	61.67%	\$961,108	38.334%	\$597,463	\$1,558,571
50							
51	MN D1* less Capacity Benefit on Att. 11, Line 21	26.25%	60.17%	\$282,390	39.830%	\$182,314	\$464,704
52							
53	Capacity Benefit (SES-Exempt): Attachment 11, Line 14			\$88,565		\$1,476	\$90,041
54							
55							
56	Minnesota			\$1,332,063		\$781,253	\$2,113,316
57							
58							
59							
60		LGS			All others		
61		Rate	Billing Units**	Revenue	Rate	Billing Units**	Revenue
62							
63	SES-paying						
64	kWh billing	\$0.00062	1,544,628,698	\$961,108	\$0.00078	998,301,128	\$779,776
65	kW billing	\$0.108	2,606,529	\$282,390	n/a	n/a	n/a
66							
67	SES-exempt Solar Capacity Benefit						
68	kWh billing	n/a	n/a	n/a	\$0.00235	629,157	\$1,476
69	kW billing	\$0.267	331,380	\$88,565	n/a	n/a	n/a
70							
71							
72	Minnesota			\$1,332,063			\$781,252
73							
74						Solar Minnesota revenue	\$2,113,316

* Class factors are consistent with E017-GR-20-719 General Rate Case.

Otter Tail Power Company
Minnesota Renewable Resource Rider
Tracker Summary

(A)

Line No.	Requirements Compared to Billed:	2023	2023	2023	2023	2023	2023	2023	2024	2024	2024	2024	2024	2024	2024
		July Actual	August Actual	September Actual	October Projected	November Projected	December Projected	Year-End Projected	January Projected	February Projected	March Projected	April Projected	May Projected	June Projected	Recovery Period
1	Non-Solar Revenue Requirements														
2	Merricourt PTCs	84,218	(13,161)	254,252	(10,169)	82,205	34,696	(215,553)	(492,771)	53,048	106,485	(119,903)	10,435	(3,576)	(14,242)
3	Ashtabula III	347,210	354,577	364,800	521,930	449,535	388,334	4,479,802	386,648	386,648	386,648	389,575	389,575	469,891	4,835,370
4	Langdon Repower														
5	Ashtabula Repower														
6	Luverne Repower														
7	Ashtabula III Repower														
8	Preservation of ADIT Proration - Non-Solar	93	93	93	93	93	93	(8,578)	93	93	93	93	93	93	1,112
9	Total Non-Solar Revenue Requirements	431,428	341,416	619,052	511,761	531,739	423,030	4,264,249	(106,123)	439,696	493,133	269,672	400,010	466,315	4,821,129
10															
11	Solar Revenue Requirements														
12	Hoot Lake Solar	141,669	76,721	256,651	394,888	472,035	512,558	4,120,622	480,241	425,446	275,201	205,078	166,636	152,643	3,559,765
13	Renewable Energy Certificate Sales							-							-
14	Renewable Energy Certificates Retirements	218,977	0	0	0	0	0	218,977	0	0	0	220,000	0	0	438,977
15	Preservation of ADIT Proration - Solar	(1,744)	(1,744)	(1,744)	(1,744)	(1,744)	(1,744)	(10,461)	(1,744)	(1,744)	(1,744)	(1,744)	(1,744)	(1,744)	(20,923)
16	Total Solar Revenue Requirements	358,902	74,977	254,907	393,144	470,292	510,814	4,329,137	478,497	423,702	273,458	423,334	164,892	150,899	3,998,741
17															
18	Net Revenue Requirements	790,330	416,393	873,959	904,905	1,002,031	933,844	8,593,386	372,374	863,398	766,591	693,006	564,902	617,214	8,819,870
19															
20	Total Billed	727,870	1,544,457	1,261,983	1,364,630	1,502,442	1,626,656	11,644,180	1,740,273	1,687,439	1,608,394	1,395,186	1,295,298	1,315,537	17,070,165
21															
22	Monthly Revenue Difference	62,460	(1,128,064)	(388,024)	(459,726)	(500,411)	(692,812)	(3,050,794)	(1,367,899)	(824,041)	(841,803)	(702,180)	(730,395)	(698,323)	(8,250,295)
23	Carrying Charge	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	Cumulative Difference	3,327,009	2,198,946	1,810,922	1,351,196	850,784	157,972		(1,209,927)	(2,033,968)	(2,875,771)	(3,577,950)	(4,308,346)	(5,006,668)	
25															
26	Carrying Charge Calculation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27	Cumulative Carrying Charge	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28	Carrying cost	7.18%	7.18%	7.18%	7.18%	7.18%	7.18%		7.18%	7.18%	7.18%	7.18%	7.18%	7.18%	
29															
30															
31	Forecasted Sales (kWh)	216,608,928	222,465,659	216,228,151	207,706,312	228,682,223	247,588,461	2,788,996,750	264,881,775	256,840,013	244,808,835	212,357,059	197,153,372	200,233,928	2,715,554,716

Rate Calculation - July 2023 - June 2024 - Initial Filing	
Revenue Requirements (July 2023-June 2024)	12,402,926
Carrying Charge	-
True Up (June 2023)	5,126,310
Total Revenue Requirements	17,529,236
Projected sales in kWh (July 2022-June 2023)	2,666,892,044
Average Rate	\$ 0.00657

Otter Tail Power Company
Minnesota Renewable Resource Rider
Tracker Summary

(A)

Line No.	Requirements Compared to Billed:	2024	2024	2024	2024	2024	2024	2024	2025	2025	2025	2025	2025	2025	2025
		July Projected	August Projected	September Projected	October Projected	November Projected	December Projected	Year-End Projected	January Projected	February Projected	March Projected	April Projected	May Projected	June Projected	Recovery Period
1	Non-Solar Revenue Requirements														
2	Merricourt PTCs	26,236	(11,715)	60,770	(7,963)	80,959	37,233	(260,762)	(432,032)	93,463	(7,121)	6,306	85,108	78,906	10,151
3	Ashtabula III	389,576	389,576	389,576	389,576	389,576	389,576	4,746,438	372,985	372,985	372,985	373,424	373,424	455,346	4,658,604
4	Langdon Repower	127,565	127,565	127,565	127,565	127,565	185,172	822,999	74,799	(68,409)	(83,234)	(50,798)	(58,399)	(24,246)	612,712
5	Ashtabula Repower	45,392	45,392	45,392	45,392	45,392	45,392	272,350	157,230	157,230	157,230	157,230	157,230	157,230	1,215,728
6	Luverne Repower	64,740	64,740	64,740	64,740	64,740	64,740	388,441	192,571	192,571	192,571	192,571	192,571	192,571	1,543,866
7	Ashtabula III Repower	59,187	59,187	59,187	59,187	59,187	59,187	355,123	197,114	197,114	197,114	197,114	197,114	197,114	1,537,808
8	Preservation of ADIT Proration - Non-Solar							556							
9	Total Non-Solar Revenue Requirements	712,696	674,745	747,230	678,497	767,419	781,300	6,324,589	562,667	944,954	829,545	875,847	947,048	1,056,922	9,578,869
10															
11	Solar Revenue Requirements														
12	Hoot Lake Solar	92,696	175,291	264,495	380,631	456,622	497,144	3,572,122	457,346	402,550	252,306	182,183	143,741	129,748	3,434,752
13	Renewable Energy Certificate Sales							-							-
14	Renewable Energy Certificates Retirements	0	0	0	0	0	0	220,000							-
15	Preservation of ADIT Proration - Solar							(10,461)							
16	Total Solar Revenue Requirements	92,696	175,291	264,495	380,631	456,622	497,144	3,781,661	457,346	402,550	252,306	182,183	143,741	129,748	3,434,752
17															
18	Net Revenue Requirements	805,392	850,036	1,011,724	1,059,127	1,224,040	1,278,444	10,106,250	1,020,013	1,347,504	1,081,851	1,058,030	1,090,788	1,186,670	13,013,620
19															
20	Total Billed	616,506	622,203	620,631	582,665	682,469	735,557	12,902,158	775,923	766,481	712,975	672,612	606,770	612,160	8,006,952
21															
22	Monthly Revenue Difference	188,887	227,833	391,093	476,463	541,571	542,887	(2,795,907)	244,089	581,023	368,876	385,418	484,019	574,510	5,006,668
23	Carrying Charge	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	Cumulative Difference	(4,817,782)	(4,589,949)	(4,198,856)	(3,722,393)	(3,180,822)	(2,637,935)		(2,393,846)	(1,812,822)	(1,443,946)	(1,058,529)	(574,510)	0	
25															
26	Carrying Charge Calculation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27	Cumulative Carrying Charge	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28	Carrying cost	7.18%	7.18%	7.18%	7.18%	7.18%	7.18%		7.18%	7.18%	7.18%	7.18%	7.18%	7.18%	
29															
30															
31	Forecasted Sales (kWh)	200,960,974	202,818,215	202,305,865	189,929,872	222,462,893	239,767,910	2,634,520,712	252,926,028	249,848,088	232,406,952	219,249,986	197,787,312	199,544,380	2,610,008,475

Rate Calculation - July 2024 - June 2025	
Revenue Requirements (July 2024 -June 2025)	13,013,620
Carrying Charge	-
True Up (June 2024)	(5,006,668)
Total Revenue Requirements	8,006,952
Projected sales in kWh (July 2022-June 2023)	2,610,008,475
Average Rate	\$ 0.00307

Otter Tail Power Company
Minnesota Renewable Resource Rider
PTCs Over/Under Credited

Line No.	Dates >>	2023												Year-End Projected
		January Actual	February Actual	March Actual	April Actual	May Actual	June Actual	July Actual	August Actual	September Actual	October Projected	November Projected	December Projected	
1	Merricourt													
2	PTCs in Base Rates													
3	Base MWh	33,200	58,202	60,790	55,128	56,455	50,492	45,439	46,442	54,801	59,371	56,953	61,279	638,552
4	Base PTC Rate	\$ (25.00)	\$ (25.00)	\$ (25.00)	\$ (25.00)	\$ (25.00)	\$ (25.00)	\$ (25.00)	\$ (25.00)	\$ (25.00)	\$ (25.00)	\$ (25.00)	\$ (25.00)	
5	Total PTCs \$ in Base Rates	(829,997)	(1,455,058)	(1,519,762)	(1,378,189)	(1,411,367)	(1,262,297)	(1,135,973)	(1,161,061)	(1,370,032)	(1,484,271)	(1,423,832)	(1,531,966)	(15,963,805)
6	MN Jurisdictional Allocator - EPIS / Changed to E2 in 2021	53.5439%	53.5439%	53.5439%	53.5439%	53.5439%	53.5439%	53.5439%	53.5439%	53.5439%	53.5439%	53.5439%	53.5439%	
7	PTCs \$ in Rate Base - MN Share	(444,413)	(779,096)	(813,741)	(737,937)	(755,702)	(675,884)	(608,245)	(621,678)	(733,569)	(794,737)	(762,376)	(820,275)	(8,547,651)
8														
9	Actual PTCs Generated (MWh)													
10	Actual MWh	46,414	56,273	57,643	68,071	49,984	32,990	36,568	42,092	36,845	53,493	46,944	53,064	580,381
11	Actual PTC Rate	\$ (28.00)	\$ (28.00)	\$ (28.00)	\$ (28.00)	\$ (28.00)	\$ (28.00)	\$ (28.00)	\$ (28.00)	\$ (28.00)	\$ (28.00)	\$ (28.00)	\$ (28.00)	
12	Total PTCs Generated \$	(1,299,592)	(1,575,647)	(1,614,016)	(1,905,979)	(1,399,563)	(923,710)	(1,023,893)	(1,178,576)	(1,031,665)	(1,497,804)	(1,314,432)	(1,485,792)	(16,250,670)
13	MN Jurisdictional Allocator - EPIS / Changed to E2 in 2021	53.5439%	53.5439%	53.5439%	53.5439%	53.5439%	53.5439%	53.5439%	53.5439%	53.5439%	53.5439%	53.5439%	53.5439%	
14	PTCs Generated \$ - MN Share	(695,853)	(843,664)	(864,208)	(1,020,537)	(749,381)	(494,591)	(548,233)	(631,056)	(552,394)	(801,983)	(703,799)	(795,552)	(8,701,250)
15	Merricourt Reg Asset (Liability)	(251,440)	(64,568)	(50,467)	(282,600)	6,320	181,293	60,012	(9,378)	181,175	(7,246)	58,577	24,723	(153,599)
16														
17	Current Month Difference (Base Rate vs. Actual Generated)	(251,440)	(64,568)	(50,467)	(282,600)	6,320	181,293	60,012	(9,378)	181,175	(7,246)	58,577	24,723	(153,599)
18	Taxable Income - Grossed Up	(352,858)	(90,612)	(70,823)	(396,587)	8,870	254,418	84,218	(13,161)	254,252	(10,169)	82,205	34,696	(215,553)

Otter Tail Power Company
Minnesota Renewable Resource Rider
PTCs Over/Under Credited

Line No.	Dates >>	2024												
		January Projected	February Projected	March Projected	April Projected	May Projected	June Projected	July Projected	August Projected	September Projected	October Projected	November Projected	December Projected	Year-End Projected
1	Merricourt													
2	PTCs in Base Rates													
3	Base MWh	33,200	58,202	60,790	55,128	56,455	50,492	45,439	46,442	54,801	59,371	56,953	61,279	638,552
4	Base PTC Rate	\$ (25.00)	\$ (25.00)	\$ (25.00)	\$ (25.00)	\$ (25.00)	\$ (25.00)	\$ (25.00)	\$ (25.00)	\$ (25.00)	\$ (25.00)	\$ (25.00)	\$ (25.00)	
5	Total PTCs \$ in Base Rates	(829,997)	(1,455,058)	(1,519,762)	(1,378,189)	(1,411,367)	(1,262,297)	(1,135,973)	(1,161,061)	(1,370,032)	(1,484,271)	(1,423,832)	(1,531,966)	(15,963,805)
6	MN Jurisdictional Allocator - EPIS / Changed to E2 in 2021	53.5439%	53.5439%	53.5439%	53.5439%	53.5439%	53.5439%	53.5439%	53.5439%	53.5439%	53.5439%	53.5439%	53.5439%	
7	PTCs \$ in Rate Base - MN Share	(444,413)	(779,096)	(813,741)	(737,937)	(755,702)	(675,884)	(608,245)	(621,678)	(733,569)	(794,737)	(762,376)	(820,275)	(8,547,651)
8														
9	Actual PTCs Generated (MWh)													
10	Actual MWh	53,064	49,445	49,216	54,920	49,910	45,252	39,323	42,023	46,041	53,388	47,003	52,943	582,530
11	Actual PTC Rate	\$ (28.00)	\$ (28.00)	\$ (28.00)	\$ (28.00)	\$ (28.00)	\$ (28.00)	\$ (28.00)	\$ (28.00)	\$ (28.00)	\$ (28.00)	\$ (28.00)	\$ (28.00)	
12	Total PTCs Generated \$	(1,485,792)	(1,384,460)	(1,378,048)	(1,537,760)	(1,397,480)	(1,267,056)	(1,101,057)	(1,176,651)	(1,289,157)	(1,494,868)	(1,316,090)	(1,482,416)	(16,310,836)
13	MN Jurisdictional Allocator - EPIS / Changed to E2 in 2021	53.5439%	53.5439%	53.5439%	53.5439%	53.5439%	53.5439%	53.5439%	53.5439%	53.5439%	53.5439%	53.5439%	53.5439%	
14	PTCs Generated \$ - MN Share	(795,552)	(741,295)	(737,861)	(823,377)	(748,266)	(678,432)	(589,549)	(630,026)	(690,266)	(800,411)	(704,687)	(793,744)	(8,733,465)
15	Merricourt Reg Asset (Liability)	(351,139)	37,801	75,879	(85,441)	7,436	(2,548)	18,695	(8,348)	43,303	(5,674)	57,690	26,531	(185,814)
16														
17	Current Month Difference (Base Rate vs. Actual Generated)	(351,139)	37,801	75,879	(85,441)	7,436	(2,548)	18,695	(8,348)	43,303	(5,674)	57,690	26,531	(185,814)
18	Taxable Income - Grossed Up	(492,771)	53,048	106,485	(119,903)	10,435	(3,576)	26,236	(11,715)	60,770	(7,963)	80,959	37,233	(260,762)

Otter Tail Power Company
Minnesota Renewable Resource Rider
PTCs Over/Under Credited

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	Merricourt													
2	PTCs in Base Rates													
3	Base MWh	33,200	58,202	60,790	55,128	56,455	50,492	45,439	46,442	54,801	59,371	56,953	61,279	638,552
4	Base PTC Rate	\$ (25.00)	\$ (25.00)	\$ (25.00)	\$ (25.00)	\$ (25.00)	\$ (25.00)	\$ (25.00)	\$ (25.00)	\$ (25.00)	\$ (25.00)	\$ (25.00)	\$ (25.00)	
5	Total PTCs \$ in Base Rates	(829,997)	(1,455,058)	(1,519,762)	(1,378,189)	(1,411,367)	(1,262,297)	(1,135,973)	(1,161,061)	(1,370,032)	(1,484,271)	(1,423,832)	(1,531,966)	(15,963,805)
6	MN Jurisdictional Allocator - EPIS / Changed to E2 in 2021	53.5439%	53.5439%	53.5439%	53.5439%	53.5439%	53.5439%	53.5439%	53.5439%	53.5439%	53.5439%	53.5439%	53.5439%	
7	PTCs \$ in Rate Base - MN Share	(444,413)	(779,096)	(813,741)	(737,937)	(755,702)	(675,884)	(608,245)	(621,678)	(733,569)	(794,737)	(762,376)	(820,275)	(8,547,651)
8														
9	Actual PTCs Generated (MWh)													
10	Actual MWh	50,177	47,524	54,616	48,921	46,361	41,332	39,417	41,870	47,116	54,140	45,978	52,958	570,410
11	Actual PTC Rate	\$ (28.00)	\$ (28.00)	\$ (28.00)	\$ (28.00)	\$ (28.00)	\$ (28.00)	\$ (28.00)	\$ (28.00)	\$ (28.00)	\$ (28.00)	\$ (28.00)	\$ (28.00)	
12	Total PTCs Generated \$	(1,404,958)	(1,330,674)	(1,529,239)	(1,369,796)	(1,298,102)	(1,157,286)	(1,103,681)	(1,172,358)	(1,319,243)	(1,515,924)	(1,287,395)	(1,482,827)	(15,971,484)
13	MN Jurisdictional Allocator - EPIS / Changed to E2 in 2021	53.5439%	53.5439%	53.5439%	53.5439%	53.5439%	53.5439%	53.5439%	53.5439%	53.5439%	53.5439%	53.5439%	53.5439%	
14	PTCs Generated \$ - MN Share	(752,270)	(712,496)	(818,815)	(733,443)	(695,055)	(619,656)	(590,954)	(627,727)	(706,375)	(811,686)	(689,322)	(793,964)	(8,551,763)
15	Merricourt Reg Asset (Liability)	(307,857)	66,600	(5,074)	4,494	60,646	56,227	17,291	(6,049)	27,194	(16,948)	73,054	26,311	(4,112)
16														
17	Current Month Difference (Base Rate vs. Actual Generated)	(307,857)	66,600	(5,074)	4,494	60,646	56,227	17,291	(6,049)	27,194	(16,948)	73,054	26,311	(4,112)
18	Taxable Income - Grossed Up	(432,032)	93,463	(7,121)	6,306	85,108	78,906	24,265	(8,489)	38,163	(23,785)	102,521	36,923	(5,770)

Otter Tail Power Company
Minnesota Renewable Resource Rider
Hoot Lake Solar Project

Line No.	Dates >>	2023												Year-End Projected
		January Actual	February Actual	March Actual	April Actual	May Actual	June Actual	July Actual	August Actual	September Actual	October Projected	November Projected	December Projected	
1	RATE BASE													
2	Plant Balance - Ashtabula	-	-	-	-	-	-	-	57,728,564	58,254,664	58,735,652	58,735,652	58,735,652	58,735,652
3	Accumulated Depreciation	-	-	-	-	-	-	-	(138,823)	(278,911)	(420,155)	(561,400)	(561,400)	(561,400)
4	Net Plant in Service	-	-	-	-	-	-	-	57,728,564	58,115,841	58,456,742	58,315,497	58,174,252	58,174,252
6	CWIP Calculation:													
7	Beginning	38,451,861	41,639,997	47,236,030	51,925,633	56,432,060	54,150,423	55,511,681	56,625,691	-	-	-	-	38,451,861
8	Additional CWIP	3,276,809	5,691,710	4,777,984	4,555,490	(2,202,504)	1,451,532	1,197,537	1,192,181	716,674	480,988	-	-	21,138,401
9	Removal of Internal Costs	(88,673)	(95,677)	(88,380)	(49,064)	(79,133)	(90,273)	(83,528)	(89,308)	(190,574)	-	-	-	-
10	Closings from CWIP	-	-	-	-	-	-	-	(57,728,564)	(526,100)	(480,988)	-	-	(58,735,652)
11	AFUDC	-	-	-	-	-	-	-	-	-	-	-	-	-
12	CWIP	41,639,997	47,236,030	51,925,633	56,432,060	54,150,423	55,511,681	56,625,691	-	-	-	-	-	854,610
13	ADIT Pro-Rated	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	-
14	Accum. Deferred Inc. Taxes - Fed Only	-	-	-	-	-	-	-	(445,028)	(863,761)	(1,282,254)	(1,700,527)	(2,118,801)	(2,118,801)
15	Accum. Deferred Inc. Taxes - Fed & State	-	-	-	-	-	-	-	(675,272)	(1,310,644)	(1,945,652)	(2,580,327)	(3,215,003)	(3,215,003)
16	Accum. Deferred Inc. Taxes - Fed & State - No Prorate	-	-	-	-	-	-	-	(675,272)	(1,310,644)	(1,945,652)	(2,580,327)	(3,215,003)	(3,215,003)
17	Accum. Deferred Inc. Taxes - Federal PTC	952	8,433	19,514	38,314	42,386	117,855	305,677	539,780	744,590	905,765	1,012,789	1,090,938	1,090,938
18	End of month rate base	41,640,949	47,244,463	51,945,147	56,470,374	54,192,809	55,629,537	56,931,368	57,593,072	57,549,788	57,416,855	56,747,959	56,050,188	56,904,798
19	End of month rate base - No Prorate	41,640,949	47,244,463	51,945,147	56,470,374	54,192,809	55,629,537	56,931,368	57,593,072	57,549,788	57,416,855	56,747,959	56,050,188	56,904,798
20	Average rate base	4,412,684	4,412,684	4,412,684	4,412,684	4,412,684	4,412,684	4,412,684	4,412,684	4,412,684	4,412,684	4,412,684	4,412,684	52,952,205
21	Return on Rate Base	316,665	316,665	316,665	316,665	316,665	316,665	316,665	316,665	316,665	316,665	316,665	316,665	3,799,983
22	Available for return (equity portion of rate base)	219,619	219,619	219,619	219,619	219,619	219,619	219,619	219,619	219,619	219,619	219,619	219,619	2,635,431
23														
24														
25														
26														
27														
28	EXPENSES													
29	O&M and Depreciation													
30	Operating Costs										75,735	75,735	75,735	227,205
31	Net Self Fund Transmission Payments										-	-	-	-
32	Ground Lease Payments										-	-	-	-
33	Property Tax	-	-	-	-	-	-	-	-	-	-	-	-	-
34	Property Tax Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-
35	Book Depreciation	-	-	-	-	-	-	-	-	138,823	140,088	141,245	141,245	561,400
36	Total O&M and Depreciation Expense	-	-	-	-	-	-	-	-	138,823	215,823	216,980	216,980	788,605
37														
38	Income before Taxes													
39	Available for return (from above)	219,619	219,619	219,619	219,619	219,619	219,619	219,619	219,619	219,619	219,619	219,619	219,619	2,635,431
40	Less book tax credits - Federal PTC	(952)	(7,482)	(11,081)	(18,800)	(4,072)	(75,469)	(187,822)	(234,103)	(204,811)	(161,174)	(107,025)	(78,149)	(1,090,938)
41	Adjusted Income before interest and taxes	218,668	212,138	208,539	200,819	215,548	144,150	31,797	(14,483)	14,809	58,445	112,595	141,470	1,544,493
42														
43	Taxable Income (grossed up)	306,868	297,704	292,653	281,820	302,489	202,293	44,623	(20,325)	20,782	82,019	158,010	198,532	2,167,466
44														
45	Income Taxes													
46	Current and Def Income Taxes	88,200	85,566	84,114	81,001	86,941	58,143	12,825	(5,842)	5,973	23,574	45,415	57,062	622,973
47	Federal PTC	(952)	(7,482)	(11,081)	(18,800)	(4,072)	(75,469)	(187,822)	(234,103)	(204,811)	(161,174)	(107,025)	(78,149)	(1,090,938)
48	Total Income Tax Expense	87,248	78,084	73,034	62,200	82,870	(17,326)	(174,997)	(239,945)	(198,837)	(137,600)	(61,610)	(21,087)	(467,965)
49														
50	REVENUE REQUIREMENTS													
51	Expenses	87,248	78,084	73,034	62,200	82,870	(17,326)	(174,997)	(239,945)	(60,015)	78,222	155,370	195,893	320,639
52	Return on rate base	316,665	316,665	316,665	316,665	316,665	316,665	316,665	316,665	316,665	316,665	316,665	316,665	3,799,983
53														
54	Total revenue requirements	403,913	394,750	389,699	378,866	399,535	299,339	141,669	76,721	256,651	394,888	472,035	512,558	4,120,622
55														
56	Minnesota share - 100% Allocation	403,913	394,750	389,699	378,866	399,535	299,339	141,669	76,721	256,651	394,888	472,035	512,558	4,120,622

1	SUPPORTING INFORMATION / DATA														
2															
3	MN Cap structure with allowed ROE per order.														
4	Capital Structure	Ratio	Cost	WA Cost				Fed Portion	State Portion						
5	Debt	47.50%	4.63%	2.20%				18.94%	9.80%						
6	Preferred equity	0.00%	0.00%	0.00%				1.40335							
7	Common equity	52.50%	9.48%	4.98%											
8	Total	100.00%		7.18%			100% Allocation	100.000%							
9															
10															
11	Federal Production Tax Credit														
12	Federal PTC Rate	\$ 30.50	\$ 30.50	\$ 30.50	\$ 30.50	\$ 30.50	\$ 30.50	\$ 30.50	\$ 30.50	\$ 30.50	\$ 30.50	\$ 30.50	\$ 30.50	\$ 30.50	\$ 30.50
13	Output (MWH) / month	31	245	363	616	134	2,474	6,158	7,676	6,715	5,284	3,509	2,562	35,768	
14	Federal PTC Available based on production	952	7,482	11,081	18,800	4,072	75,469	187,822	234,103	204,811	161,174	107,025	78,149	1,090,938	
15															
16	Credit to Customer	952	7,482	11,081	18,800	4,072	75,469	187,822	234,103	204,811	161,174	107,025	78,149	1,090,938	
17	Credit to Customer - Cumulative	952	8,433	19,514	38,314	42,386	117,855	305,677	539,780	744,590	905,765	1,012,789	1,090,938	1,090,938	
18															
19	Federal PTC Used on tax return	-	-	-	-	-	-	-	-	-	-	-	-	-	
20	Deferred	952	7,482	11,081	18,800	4,072	75,469	187,822	234,103	204,811	161,174	107,025	78,149	1,090,938	
21	Accumulated Deferred	952	8,433	19,514	38,314	42,386	117,855	305,677	539,780	744,590	905,765	1,012,789	1,090,938	1,090,938	
22															
23	Deferred Tax														
24	Book depreciation	-	-	-	-	-	-	-	-	138,823	140,088	141,245	141,245	141,245	
25	Tax depreciation-Federal	-	-	-	-	-	-	-	2,349,426	2,349,426	2,349,426	2,349,426	2,349,426	11,747,130	
26	Tax depreciation-MN	-	-	-	-	-	-	-	2,349,426	2,349,426	2,349,426	2,349,426	2,349,426	11,747,130	
27	Book vs. tax depreciation	-	-	-	-	-	-	-	(2,349,426)	(2,210,603)	(2,209,338)	(2,208,182)	(2,208,182)	(11,605,886)	
28	MACRS05, HALF														
29	Tax depreciation-Federal YR01								2,349,426	2,349,426	2,349,426	2,349,426	2,349,426	11,747,130	
30	Tax depreciation-Federal YR02														
	Tax depreciation-Federal YR03														
	Tax depreciation-Federal YR04														
	Tax depreciation-Federal YR05														
	Tax depreciation-Federal YR06														
28	Federal deferred income taxes	-	-	-	-	-	-	-	(445,028)	(418,732)	(418,493)	(418,274)	(418,274)	(2,198,387)	
29	State deferred income taxes	-	-	-	-	-	-	-	(230,244)	(216,639)	(216,515)	(216,402)	(216,402)	(1,137,377)	

1	SUPPORTING INFORMATION / DATA																			
2	MN Cap structure with allowed ROE per order.																			
3	Capital Structure																			
4		Ratio	Cost	WA Cost								Fed Portion	State Portion							
5	Debt	47.50%	4.63%			2.20%								28.74%	18.94%	9.80%				
6	Preferred equity	0.00%	0.00%	0.00%										1.40335						
7	Common equity	52.50%	9.48%			4.98%														
8	Total	100.00%			7.18%					100.00%										
9																				
10	Federal Production Tax Credit																			
11	Federal PTC Rate	\$ 30.50	\$ 30.50	\$ 30.50	\$ 30.50	\$ 30.50	\$ 30.50	\$ 30.50	\$ 30.50	\$ 30.50	\$ 30.50	\$ 30.50	\$ 30.50	\$ 30.50	\$ 30.50	\$ 30.50	\$ 30.50	\$ 30.50	\$ 30.50	\$ 30.50
12	Output (MWH) / month	2,957	4,237	7,748	9,386	10,284	10,611	12,012	10,082	7,998	5,284	3,509	2,562							
13	Federal PTC Available based on production	90,194	129,240	236,301	286,270	313,663	323,634	366,351	307,495	243,931	161,174	107,025	78,149							
14	Credit to Customer	90,194	129,240	236,301	286,270	313,663	323,634	366,351	307,495	243,931	161,174	107,025	78,149							
15	Credit to Customer - Cumulative	1,181,133	1,310,373	1,546,674	1,832,944	2,146,606	2,470,240	2,836,591	3,144,087	3,388,017	3,549,191	3,656,216	3,734,365							
16	Federal PTC Used on tax return	90,194	129,240	236,301	286,270	313,663	323,634	366,351	307,495	243,931	161,174	107,025	78,149							
17	Deferred	90,194	129,240	236,301	286,270	313,663	323,634	366,351	307,495	243,931	161,174	107,025	78,149							
18	Accumulated Deferred	1,181,133	1,310,373	1,546,674	1,832,944	2,146,606	2,470,240	2,836,591	3,144,087	3,388,017	3,549,191	3,656,216	3,734,365							
19																				
20	Deferred Tax																			
21	Book depreciation	141,245	141,245	141,245	141,245	141,245	141,245	141,245	141,245	141,245	141,245	141,245	141,245							
22	Tax depreciation-Federal	1,566,284	1,566,284	1,566,284	1,566,284	1,566,284	1,566,284	1,566,284	1,566,284	1,566,284	1,566,284	1,566,284	1,566,284							
23	Tax depreciation-MN	1,566,284	1,566,284	1,566,284	1,566,284	1,566,284	1,566,284	1,566,284	1,566,284	1,566,284	1,566,284	1,566,284	1,566,284							
24	Book vs. tax depreciation	(1,425,039)	(1,425,039)	(1,425,039)	(1,425,039)	(1,425,039)	(1,425,039)	(1,425,039)	(1,425,039)	(1,425,039)	(1,425,039)	(1,425,039)	(1,425,039)							
25	MACRS05-HALF																			
26	Tax depreciation-Federal YR01	-	-	-	-	-	-	-	-	-	-	-	-							
27	Tax depreciation-Federal YR02	1,566,284	1,566,284	1,566,284	1,566,284	1,566,284	1,566,284	1,566,284	1,566,284	1,566,284	1,566,284	1,566,284	1,566,284							
28	Tax depreciation-Federal YR03	-	-	-	-	-	-	-	-	-	-	-	-							
29	Tax depreciation-Federal YR04	-	-	-	-	-	-	-	-	-	-	-	-							
30	Tax depreciation-Federal YR05	-	-	-	-	-	-	-	-	-	-	-	-							
31	Tax depreciation-Federal YR06	-	-	-	-	-	-	-	-	-	-	-	-							

[illegible]

Otter Tail Power Company
Minnesota Renewable Resource Rider
Ashtabula III

Line No.	Dates >>	2023												Year-End Projected
		January Actual	February Actual	March Actual	April Actual	May Actual	June Actual	July Actual	August Actual	September Actual	October Projected	November Projected	December Projected	
1	RATE BASE													
2	Plant Balance	79,824,326	79,838,251	79,846,750	79,847,117	79,847,117	79,853,009	79,870,858	79,871,023	79,884,368	79,884,368	79,884,368	79,884,368	79,884,368
3	Accumulated Depreciation	(28,667,628)	(28,848,670)	(29,029,743)	(29,210,835)	(29,391,928)	(29,573,022)	(29,754,128)	(29,935,275)	(30,116,423)	(30,297,601)	(30,478,778)	(30,659,956)	(30,659,956)
4	Net Plant in Service	51,156,698	50,989,581	50,817,007	50,636,282	50,455,189	50,279,988	50,116,730	49,935,747	49,767,945	49,586,767	49,405,589	49,224,412	49,224,412
5	CWIP Calculation:													
6	Beginning	762,931	-	-	-	-	-	-	-	-	-	-	-	762,931
7	Additional CWIP - 107013	139,980	17,671	(31,408)	606	529	7,308	39,487	2,537	13,947	-	-	-	190,658
8	Remove Internal Costs	(152,753)	(3,747)	39,907	(239)	(529)	(1,416)	(21,639)	(2,372)	(602)	-	-	-	(143,389)
9	Additional CWIP - Purchase Price	79,074,167	-	-	-	-	-	-	-	-	-	-	-	79,074,167
10	Closings from CWIP	(79,824,326)	(13,925)	(8,499)	(367)	0	(5,892)	(17,848)	(165)	(13,345)	-	-	-	(79,884,368)
11	AFUDC	-	-	-	-	-	-	-	-	-	-	-	-	-
12	CWIP	-	-	-	-	-	-	-	-	-	-	-	-	-
13														
14	ADIT Pro-Rated	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
15	Accum. Deferred Inc. Taxes - Federal only	(161,502)	(288,710)	(415,913)	(543,112)	(670,311)	(797,511)	(924,707)	(1,051,896)	(1,179,085)	(1,306,268)	(1,433,451)	(1,560,634)	(1,560,634)
16	Accum. Deferred Inc. Taxes - Federal & State	(245,058)	(438,080)	(631,094)	(824,102)	(1,017,110)	(1,210,118)	(1,403,122)	(1,596,114)	(1,789,106)	(1,982,090)	(2,175,073)	(2,368,057)	(2,368,057)
17	Ending rate base	50,911,640	50,551,501	50,185,913	49,812,180	49,438,079	49,069,870	48,713,608	48,339,633	47,978,839	47,604,677	47,230,516	46,856,355	46,856,355
18	Average rate base	3,765,742	3,765,742	3,765,742	3,765,742	3,765,742	3,765,742	3,765,742	3,765,742	3,765,742	3,765,742	3,765,742	3,765,742	45,188,903
19														
20	Return on Rate Base	270,239	270,239	270,239	270,239	270,239	270,239	270,239	270,239	270,239	270,239	270,239	270,239	3,242,869
21														
22	Available for return (equity portion of rate base)	187,421	187,421	187,421	187,421	187,421	187,421	187,421	187,421	187,421	187,421	187,421	187,421	2,249,052
23														
24														
25	EXPENSES													
26														
27	O&M and Depreciation													
28	Operating Costs	1,508	49,216	72,817	173,736	104,875	288,370	94,722	108,440	127,533	420,709	285,502	171,203	1,898,632
29	Self-Funded Transmission Monthly Payments - N/A													-
30	Ground Lease Payments	26,629	26,629	26,629	26,629	26,629	26,629	26,629	26,629	26,629	26,882	26,882	26,882	320,311
31	Property/Production Tax	718	718	718	718	718	718	718	718	718	718	718	718	8,612
32	Property Tax Adjustment							(553)	(553)	(553)		(553)	(553)	(3,320)
33	Book Depreciation	-	181,042	181,073	181,092	181,093	181,093	181,107	181,147	181,147	181,178	181,178	181,178	1,992,328
34	Total O&M and Depreciation Expense	28,855	257,605	281,237	382,175	313,316	496,810	302,623	316,381	335,474	628,933	493,726	379,427	4,216,563
35														
36	Income before Taxes													
37	Available for return (from above)	187,421	187,421	187,421	187,421	187,421	187,421	187,421	187,421	187,421	187,421	187,421	187,421	2,249,052
38	Less book tax credits - Federal PTC	-	-	-	-	-	-	-	-	-	-	-	-	-
39	Less book tax credits - ND ITC	-	-	-	-	-	-	-	-	-	-	-	-	-
40	ND ITC - Federal impact	-	-	-	-	-	-	-	-	-	-	-	-	-
41	Less: Section 199 Deduction													
42	Adjusted income before interest and taxes	187,421	187,421	187,421	187,421	187,421	187,421	187,421	187,421	187,421	187,421	187,421	187,421	2,249,052
43	Taxable Income (grossed up)	263,017	263,017	263,017	263,017	263,017	263,017	263,017	263,017	263,017	263,017	263,017	263,017	3,156,209
44														
45														
46	Current and Deferred Income Taxes	75,596	75,596	75,596	75,596	75,596	75,596	75,596	75,596	75,596	75,596	75,596	75,596	907,158
47	Tax Adjustment for Additional Tax Basis	-	-	-	-	-	-	-	-	-	-	-	-	-
48	Federal PTC	-	-	-	-	-	-	-	-	-	-	-	-	-
49	MN ITC	-	-	-	-	-	-	-	-	-	-	-	-	-
50	MN ITC - Federal Impact	-	-	-	-	-	-	-	-	-	-	-	-	-
51	Total Income Tax Expense	75,596	75,596	75,596	75,596	75,596	75,596	75,596	75,596	75,596	75,596	75,596	75,596	907,158
52														
53	Actual MWh Generated - used for Production Tax Calc.							11,183	10,880	17,017	20,378	15,880	18,346	93,684
54	REVENUE REQUIREMENTS													
55	Expenses	104,452	333,201	356,834	457,772	388,912	572,407	378,219	391,978	411,071	704,530	569,323	455,024	5,123,721
56	Return on rate base	270,239	270,239	270,239	270,239	270,239	270,239	270,239	270,239	270,239	270,239	270,239	270,239	3,242,869
57														
58	Total revenue requirements	374,691	603,440	627,073	728,011	659,151	842,646	648,458	662,217	681,310	974,769	839,562	725,263	8,366,590
59														
60	Minnesota share - E2 factor	200,624	323,106	335,760	389,806	352,936	451,186	347,210	354,577	364,800	521,930	449,535	388,334	4,479,802

SUPPORTING INFORMATION / DATA														
1	Capital Structure with allowed ROE per order.	Ratio	Cost	WA Cost				Fed Portion	State Portion					
2		Debt	4.50%	4.63%				28.74%	18.94%	2.90%				
3		Preferred equity	0.00%	0.00%				1.40335						
4		Common equity	52.50%	9.48%	4.98%									
5		Total	100.00%		7.18%			53.544%						
6														
7														
8														
9	Deferred Tax													
10	Book depreciation rate	2.7216%	2.7216%	2.7216%	2.7216%	2.7216%	2.7216%	2.7216%	2.7216%	2.7216%	2.7216%	2.7216%	2.7216%	
11	Book depreciation	-	181,042	181,073	181,092	181,093	181,093	181,107	181,147	181,147	181,178	181,178	181,178	1,992,328
12	Tax depreciation - Federal	852,612	852,612	852,612	852,612	852,612	852,612	852,612	852,612	852,612	852,612	852,612	852,612	10,231,340
13	Tax depreciation - State	852,612	852,612	852,612	852,612	852,612	852,612	852,612	852,612	852,612	852,612	852,612	852,612	10,231,340
14	Book vs. tax depreciation	(852,612)	(671,570)	(671,538)	(671,519)	(671,518)	(671,518)	(671,505)	(671,465)	(671,464)	(671,434)	(671,434)	(671,434)	(8,239,011)
15	Federal deferred income taxes	(161,502)	(127,209)	(127,203)	(127,199)	(127,199)	(127,199)	(127,196)	(127,189)	(127,189)	(127,183)	(127,183)	(127,183)	(1,560,634)
16	State deferred income taxes	(83,556)	(65,814)	(65,811)	(65,809)	(65,809)	(65,809)	(65,807)	(65,804)	(65,803)	(65,801)	(65,801)	(65,801)	(807,423)

Line No.	Dates >>	2024												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	RAVE BASE													
2	Plant Balance	79,884,368	79,884,368	79,884,368	79,884,368	79,884,368	79,884,368	79,884,368	79,884,368	79,884,368	79,884,368	79,884,368	79,884,368	
3	Accumulated Depreciation	(30,841,134)	(31,022,312)	(31,203,489)	(31,384,667)	(31,565,845)	(31,747,023)	(31,928,200)	(32,109,378)	(32,290,556)	(32,471,734)	(32,652,911)	(32,834,089)	
4	Net Plant in Service	49,043,234	48,862,056	48,680,878	48,499,701	48,318,523	48,137,345	47,956,167	47,774,990	47,593,812	47,412,634	47,231,456	47,050,279	
5	CWIP Calculation:													
6	Beginning	-	-	-	-	-	-	-	-	-	-	-	-	
7	Additional CWIP - 107013													
8	Remove Internal Costs													
9	Additional CWIP - Purchase Price													
10	Closings from CWIP	-	-	-	-	-	-	-	-	-	-	-	-	
11	AFUDC	-	-	-	-	-	-	-	-	-	-	-	-	
12	CWIP	-	-	-	-	-	-	-	-	-	-	-	-	
13														
14	ADIT Pro-Rated	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	0.91803	0.83333	0.75137	0.66667	0.58470	0.50000	
15	Accum. Deferred Inc. Taxes - Federal only	(1,784,718)	(2,008,802)	(2,232,886)	(2,456,970)	(2,681,054)	(2,905,138)	(3,110,854)	(3,297,591)	(3,465,960)	(3,615,349)	(3,746,371)	(3,858,413)	
16	Accum. Deferred Inc. Taxes - Federal & State	(2,708,075)	(3,048,093)	(3,388,111)	(3,728,129)	(4,068,147)	(4,408,165)	(4,729,816)	(5,032,487)	(5,316,790)	(5,582,113)	(5,829,069)	(6,057,045)	
17														
18	Ending rate base	46,335,159	45,813,963	45,292,767	44,771,571	44,250,376	43,729,180	43,226,351	42,742,503	42,277,022	41,830,521	41,402,387	40,993,233	
19														
20	Average rate base	3,650,778	3,650,778	3,650,778	3,650,778	3,650,778	3,650,778	3,650,778	3,650,778	3,650,778	3,650,778	3,650,778	3,650,778	
21														
22	Return on Rate Base	261,989	261,989	261,989	261,989	261,989	261,989	261,989	261,989	261,989	261,989	261,989	261,989	
23														
24	Available for return (equity portion of rate base)	181,699	181,699	181,699	181,699	181,699	181,699	181,699	181,699	181,699	181,699	181,699	181,699	
25														
26	EXPENSES													
27	O&M and Depreciation													
28	Operating Costs	174,343	174,343	174,343	179,810	179,810	329,810	179,811	179,811	179,811	179,811	179,811	179,811	
29	Self-Funded Transmission Monthly Payments - N/A	-	-	-	-	-	-	-	-	-	-	-	-	
30	Ground Lease Payments	27,443	27,443	27,443	27,443	27,443	27,443	27,443	27,443	27,443	27,443	27,443	27,443	
31	Property/Production Tax	16,904	16,904	16,904	16,904	16,904	16,904	16,904	16,904	16,904	16,904	16,904	16,904	
32	Property Tax Adjustment	(13,032)	(13,032)	(13,032)	(13,032)	(13,032)	(13,032)	(13,032)	(13,032)	(13,032)	(13,032)	(13,032)	(13,032)	
33	Book Depreciation	181,178	181,178	181,178	181,178	181,178	181,178	181,178	181,178	181,178	181,178	181,178	181,178	
34	Total O&M and Depreciation Expense	386,835	386,835	386,835	392,302	392,302	542,302	392,303	392,303	392,303	392,303	392,303	392,303	
35														
36	Income before Taxes													
37	Available for return (from above)	181,699	181,699	181,699	181,699	181,699	181,699	181,699	181,699	181,699	181,699	181,699	181,699	
38	Less book tax credits - Federal PTC	-	-	-	-	-	-	-	-	-	-	-	-	
39	Less book tax credits - ND ITC	-	-	-	-	-	-	-	-	-	-	-	-	
40	ND ITC - Federal Impact	-	-	-	-	-	-	-	-	-	-	-	-	
41	Less: Section 199 Deduction	-	-	-	-	-	-	-	-	-	-	-	-	
42	Adjusted Income before interest and taxes	181,699	181,699	181,699	181,699	181,699	181,699	181,699	181,699	181,699	181,699	181,699	181,699	
43	Taxable Income (grossed up)	254,988	254,988	254,988	254,988	254,988	254,988	254,988	254,988	254,988	254,988	254,988	254,988	
44														
45														
46	Current and Deferred Income Taxes	73,289	73,289	73,289	73,289	73,289	73,289	73,289	73,289	73,289	73,289	73,289	73,289	
47	Tax Adjustment for Additional Tax Basis	-	-	-	-	-	-	-	-	-	-	-	-	
48	Federal PTC	-	-	-	-	-	-	-	-	-	-	-	-	
49	MN ITC	-	-	-	-	-	-	-	-	-	-	-	-	
50	MN ITC - Federal Impact	-	-	-	-	-	-	-	-	-	-	-	-	
51	Total Income Tax Expense	73,289	73,289	73,289	73,289	73,289	73,289	73,289	73,289	73,289	73,289	73,289	73,289	
52														
53	Actual MWh Generated - used for Production Tax Calc.	23,727	23,183	19,914	20,257	16,540	15,921	11,612	10,586	16,995	20,472	15,348	19,900	
54	REVENUE REQUIREMENTS													
55	Expenses	460,124	460,124	460,124	465,591	465,591	615,591	465,592	465,592	465,592	465,592	465,592	465,592	
56	Return on rate base	261,989	261,989	261,989	261,989	261,989	261,989	261,989	261,989	261,989	261,989	261,989	261,989	
57														
58	Total revenue requirements	722,113	722,113	722,113	727,580	727,580	877,580	727,581	727,581	727,581	727,581	727,581	727,581	
59														
60	Minnesota share - E2 factor	386,648	386,648	386,648	389,575	389,575	469,891	389,576	389,576	389,576	389,576	389,576	389,576	
61														

[illegible]

Line No.	Dates >>	January Projected	February Projected	March Projected	April Projected	May Projected	June Projected	2025 July Projected	August Projected	September Projected	October Projected	November Projected	December Projected	Year-End Projected
1	RATE BASE													
2	Plant Balance	79,884,368	79,884,368	79,884,368	79,884,368	79,884,368	79,884,368	79,884,368	79,884,368	79,884,368	79,884,368	79,884,368	79,884,368	79,884,368
3	Accumulated Depreciation	(33,015,267)	(33,196,445)	(33,377,622)	(33,558,800)	(33,739,978)	(33,921,156)	(34,102,333)	(34,283,511)	(34,464,689)	(34,645,867)	(34,827,044)	(35,008,222)	(35,008,222)
4	Net Plant in Service	46,869,101	46,687,923	46,506,745	46,325,568	46,144,390	45,963,212	45,782,034	45,600,857	45,419,679	45,238,501	45,057,323	44,876,146	44,876,146
5	CWIP Calculation:													
6	Beginning	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Additional CWIP - 107013													
8	Remove Internal Costs													
9	Additional CWIP - Purchase Price													
10	Closings from CWIP	-	-	-	-	-	-	-	-	-	-	-	-	-
11	AFUDC	-	-	-	-	-	-	-	-	-	-	-	-	-
12	CWIP													
13														
14	ADIT Pro-Rated	0.41370	0.33699	0.25205	0.16986	0.08493	0.00274	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
15	Accum. Deferred Inc. Taxes - Federal only	(3,908,356)	(3,949,038)	(3,979,467)	(3,999,973)	(4,010,226)	(4,010,557)	(4,131,280)	(4,252,003)	(4,372,726)	(4,493,449)	(4,614,172)	(4,734,895)	(4,734,895)
16	Accum. Deferred Inc. Taxes - Federal & State	(6,169,447)	(6,272,587)	(6,365,474)	(6,448,438)	(6,521,150)	(6,583,939)	(6,767,120)	(6,950,301)	(7,133,483)	(7,316,664)	(7,499,845)	(7,683,026)	(7,683,026)
17														
18	Ending rate base	40,699,654	40,415,336	40,141,271	39,877,129	39,623,240	39,379,273	39,014,914	38,650,555	38,286,196	37,921,837	37,557,478	37,193,119	37,193,119
19														
20	Average rate base	3,267,649	3,267,649	3,267,649	3,267,649	3,267,649	3,267,649	3,267,649	3,267,649	3,267,649	3,267,649	3,267,649	3,267,649	39,211,788
21														
22	Return on Rate Base	234,495	234,495	234,495	234,495	234,495	234,495	234,495	234,495	234,495	234,495	234,495	234,495	2,813,936
23														
24	Available for return (equity portion of rate base)	162,631	162,631	162,631	162,631	162,631	162,631	162,631	162,631	162,631	162,631	162,631	162,631	1,951,571
25														
26	EXPENSES													
27	O&M and Depreciation													
28	Operating Costs	182,859	182,859	182,859	183,679	183,679	336,679	183,680	183,680	183,680	183,680	183,680	183,680	2,354,694
29	Self-Funded Transmission Monthly Payments - N/A	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Ground Lease Payments	27,443	27,443	27,443	27,443	27,443	27,443	27,443	27,443	27,443	27,443	27,443	27,443	329,315
31	Property/Production Tax	21,936	21,936	21,936	21,936	21,936	21,936	21,936	21,936	21,936	21,936	21,936	21,936	263,227
32	Property Tax Adjustment	(16,911)	(16,911)	(16,911)	(16,911)	(16,911)	(16,911)	(16,911)	(16,911)	(16,911)	(16,911)	(16,911)	(16,911)	(202,934)
33	Book Depreciation	181,178	181,178	181,178	181,178	181,178	181,178	181,178	181,178	181,178	181,178	181,178	181,178	2,174,133
34	Total O&M and Depreciation Expense	396,504	396,504	396,504	397,324	397,324	550,324	397,325	397,325	397,325	397,325	397,325	397,325	4,918,435
35														
36	Income before Taxes													
37	Available for return (from above)	162,631	162,631	162,631	162,631	162,631	162,631	162,631	162,631	162,631	162,631	162,631	162,631	1,951,571
38	Less book tax credits - Federal PTC	-	-	-	-	-	-	-	-	-	-	-	-	-
39	Less book tax credits - ND ITC	-	-	-	-	-	-	-	-	-	-	-	-	-
40	ND ITC - Federal impact	-	-	-	-	-	-	-	-	-	-	-	-	-
41	Less: Section 199 Deduction													
42	Adjusted Income before interest and taxes	162,631	162,631	162,631	162,631	162,631	162,631	162,631	162,631	162,631	162,631	162,631	162,631	1,951,571
43	Taxable Income (grossed up)	228,228	228,228	228,228	228,228	228,228	228,228	228,228	228,228	228,228	228,228	228,228	228,228	2,738,739
44														
45														
46	Current and Deferred Income Taxes	65,597	65,597	65,597	65,597	65,597	65,597	65,597	65,597	65,597	65,597	65,597	65,597	787,168
47	Tax Adjustment for Additional Tax Basis	-	-	-	-	-	-	-	-	-	-	-	-	-
48	Federal PTC	-	-	-	-	-	-	-	-	-	-	-	-	-
49	MN ITC	-	-	-	-	-	-	-	-	-	-	-	-	-
50	MN ITC - Federal Impact	-	-	-	-	-	-	-	-	-	-	-	-	-
51	Total Income Tax Expense	65,597	65,597	65,597	65,597	65,597	65,597	65,597	65,597	65,597	65,597	65,597	65,597	787,168
52														
53	Actual MWh Generated - used for Production Tax Calc.	22,836	23,310	19,901	19,507	17,421	15,041	11,520	10,789	17,239	20,035	15,493	20,005	213,098
54	REVENUE REQUIREMENTS													
55	Expenses	462,101	462,101	462,101	462,921	462,921	615,921	462,922	462,922	462,922	462,922	462,922	462,922	5,705,604
56	Return on rate base	234,495	234,495	234,495	234,495	234,495	234,495	234,495	234,495	234,495	234,495	234,495	234,495	2,813,936
57														
58	Total revenue requirements	696,596	696,596	696,596	697,416	697,416	850,416	697,417	697,417	697,417	697,417	697,417	697,417	8,519,540
59														
60	Minnesota share - E2 factor	372,985	372,985	372,985	373,424	373,424	455,346	373,425	373,425	373,425	373,425	373,425	373,425	4,561,696

[illegible]

1	SUPPORTING INFORMATION / DATA																				
2	MN Cap structure with allowed ROE per order.																				
3	Capital Structure		Ratio	Cost	WA Cost		Effective Tax Rate		28.74%	Fed Portion	State Portion		9.80%								
4	Debt		47.50%	4.63%	2.20%		Tax conversion factor		1.40335												
5	Preferred equity		0.00%	0.00%	0.00%																
6	Common equity		52.50%	9.48%	4.98%																
7	Total		100.00%		7.18%		E2 Factor		53.544%												
8																					
9																					
10	Federal Production Tax Credit																				
11	Federal PTC Rate		27.50	27.50	\$	27.50	\$	27.50	\$	27.50	\$	27.50	\$	27.50	\$	27.50	\$	27.50	\$	27.50	\$
12	Output (MWH) / month																				
13	Federal PTC Available based on production		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
14																					
15	Credit to Customer																				
16	Credit to Customer - Cumulative																				
17																					
18	Federal PTC Used on tax return		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
19	Deferred		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
20	Accumulated Deferred		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
21																					
22	Deferred Tax																				
23	Book depreciation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
24	Tax depreciation-Federal		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
25	Tax depreciation-MN		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
26	Book vs. tax depreciation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	MACRS05-HALF																				
	Tax depreciation-Federal YR01		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Tax depreciation-Federal YR02		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Tax depreciation-Federal YR03		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Tax depreciation-Federal YR04		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Tax depreciation-Federal YR05		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Tax depreciation-Federal YR06		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
27																					
28	Federal deferred income taxes		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
29	State deferred income taxes		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

Otter Tail Power Company
Minnesota Renewable Resource Rider
Langdon Wind Farm - Repower Project

Line No.	Dates >>	2024												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 - Langdon	-	-	-	-	-	-	-	-	-	-	48,750,724	48,750,724	48,750,724
3	Accumulated Depreciation	-	-	-	-	-	-	-	-	-	-	-	(107,589)	(107,589)
4	Net Plant in Service	-	-	-	-	-	-	-	-	-	-	48,750,724	48,643,135	48,643,135
5														
6	CWIP Calculation:													
7	Beginning	13,307,799	13,327,626	23,565,703	23,585,530	23,605,356	24,120,834	25,627,617	27,139,356	41,750,063	44,592,299	48,750,724	-	13,307,799
8	Additional CWIP	20,000	10,327,885	20,001	20,000	520,000	1,520,000	1,525,000	14,738,871	2,867,168	4,194,902	-	-	35,753,827
9	Removal of Internal Costs	(174)	(89,808)	(174)	(174)	(4,522)	(13,217)	(13,261)	(128,164)	(24,932)	(36,477)	-	-	-
10	Closings from CWIP	-	-	-	-	-	-	-	-	-	-	(48,750,724)	-	(48,750,724)
11	AFUDC	-	-	-	-	-	-	-	-	-	-	-	-	-
12	CWIP	13,327,626	23,565,703	23,585,530	23,605,356	24,120,834	25,627,617	27,139,356	41,750,063	44,592,299	48,750,724	-	-	310,903
13	ADIT Pro-Rated	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	0.91803	0.83333	0.75137	0.66667	0.58470	0.50000	-
14	Accum. Deferred Inc. Taxes - Fed Only	-	-	-	-	-	-	-	-	-	-	(539,933)	(991,461)	(991,461)
15	Accum. Deferred Inc. Taxes - Fed & State	-	-	-	-	-	-	-	-	-	-	(1,017,690)	(1,936,431)	(1,936,431)
16	Accum. Deferred Inc. Taxes - Fed & State - No Prorate	-	-	-	-	-	-	-	-	-	-	(1,401,193)	(2,387,960)	(2,387,960)
17	Accum. Deferred Inc. Taxes - Federal PTC	-	-	-	-	-	-	-	-	-	-	253,841	487,395	487,395
18	End of month rate base	13,327,626	23,565,703	23,585,530	23,605,356	24,120,834	25,627,617	27,139,356	41,750,063	44,592,299	48,750,724	47,986,875	47,194,099	47,505,002
19	End of month rate base - No Prorate	13,327,626	23,565,703	23,585,530	23,605,356	24,120,834	25,627,617	27,139,356	41,750,063	44,592,299	48,750,724	47,603,371	46,742,570	47,053,473
20	Average rate base	2594196.167	2,594,196	2,594,196	2,594,196	2,594,196	2,594,196	2,594,196	2,594,196	2,594,196	2,594,196	2,594,196	2,594,196	31,130,354
21	Return on Rate Base	186,166	186,166	186,166	186,166	186,166	186,166	186,166	186,166	186,166	186,166	186,166	186,166	2,233,992
22	Available for return (equity portion of rate base)	129,113	129,113	129,113	129,113	129,113	129,113	129,113	129,113	129,113	129,113	129,113	129,113	1,549,358
23														
24														
25														
26														
27														
28	EXPENSES													
29	O&M and Depreciation													
30	Operating Costs													-
31	Net Self Fund Transmission Payments													-
32	Ground Lease Payments													-
33	Property Tax	-	-	-	-	-	-	-	-	-	-	-	-	-
34	Book Depreciation	-	-	-	-	-	-	-	-	-	-	-	107,589	107,589
35	Total O&M and Depreciation Expense	-	-	-	-	-	-	-	-	-	-	-	107,589	107,589
36														
37	Income before Taxes													
38	Available for return (from above)	129,113	129,113	129,113	129,113	129,113	129,113	129,113	129,113	129,113	129,113	129,113	129,113	1,549,358
39	Less book tax credits - Federal PTC	-	-	-	-	-	-	-	-	-	-	-	-	-
40	Adjusted Income before interest and taxes	129,113	129,113	129,113	129,113	129,113	129,113	129,113	129,113	129,113	129,113	129,113	129,113	1,549,358
41														
42	Taxable Income (grossed up)	181,191	181,191	181,191	181,191	181,191	181,191	181,191	181,191	181,191	181,191	181,191	181,191	2,174,293
43														
44	Income Taxes													
45	Current and Def Income Taxes	52,078	52,078	52,078	52,078	52,078	52,078	52,078	52,078	52,078	52,078	52,078	52,078	624,935
46	Federal PTC	-	-	-	-	-	-	-	-	-	-	-	-	-
47	Total Income Tax Expense	52,078	52,078	52,078	52,078	52,078	52,078	52,078	52,078	52,078	52,078	52,078	52,078	624,935
48														
49	REVENUE REQUIREMENTS													
50	Expenses	52,078	52,078	52,078	52,078	52,078	52,078	52,078	52,078	52,078	52,078	52,078	159,667	732,524
51	Return on rate base	186,166	186,166	186,166	186,166	186,166	186,166	186,166	186,166	186,166	186,166	186,166	186,166	2,233,992
52														
53	Total revenue requirements	238,244	238,244	238,244	238,244	238,244	238,244	238,244	238,244	238,244	238,244	238,244	345,833	2,966,516
54														
55	Minnesota share - E2 factor	127,565	127,565	127,565	127,565	127,565	127,565	127,565	127,565	127,565	127,565	127,565	185,172	1,588,390

1	SUPPORTING INFORMATION / DATA														
2	MN Cap structure with allowed ROE per order.														
3	Capital Structure	Ratio	Cost	WA Cost			Fed Portion	State Portion							
4	Debt	47.50%	4.63%	2.20%	Effective Tax Rate		28.74%	18.94%							
5	Preferred equity	0.00%	0.00%	0.00%	Tax conversion factor		1.40335								
6	Common equity	52.50%	9.48%	4.98%											
7	Total	100.00%		7.18%	E2 Factor		53.544%								
8															
9															
10	Federal Production Tax Credit														
11	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	\$ 27.50
12	Output (MWH) / month											15,787	16,986		32,773
13	Federal PTC Available based on production	-	-	-	-	-	-	-	-	-	-	434,139	467,109		901,248
14	Credit to Customer														
15	Credit to Customer - Cumulative														
16															
17															
18	Federal PTC Used on tax return	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Deferred	-	-	-	-	-	-	-	-	-	-	434,139	467,109		901,248
20	Accumulated Deferred	-	-	-	-	-	-	-	-	-	-	434,139	901,248		901,248
21															
22	Deferred Tax														
23	Book depreciation	-	-	-	-	-	-	-	-	-	-	-	107,589		107,589
24	Tax depreciation-Federal											4,875,072	4,875,072		9,750,145
25	Tax depreciation-MN											4,875,072	4,875,072		9,750,145
26	Book vs. tax depreciation	-	-	-	-	-	-	-	-	-	-	(4,875,072)	(4,767,484)		(9,642,556)
	MACRS05.HALF														
	Tax depreciation-Federal YR01											4,875,072	4,875,072		9,750,145
	Tax depreciation-Federal YR02														
	Tax depreciation-Federal YR03														
	Tax depreciation-Federal YR04														
	Tax depreciation-Federal YR05														
	Tax depreciation-Federal YR06														
27															
28	Federal deferred income taxes	-	-	-	-	-	-	-	-	-	-	(923,436)	(903,057)		(1,826,493)
29	State deferred income taxes	-	-	-	-	-	-	-	-	-	-	(477,757)	(467,213)		(944,970)

1	SUPPORTING INFORMATION / DATA																					
2	MN Cap structure with allowed ROE per order.																					
3	Capital Structure		Ratio	Cost	WA Cost						Fed Portion		State Portion									
4	Debt		47.50%	4.63%	2.20%				Effective Tax Rate		28.74%		18.94%		9.80%							
5	Preferred equity		0.00%	0.00%	0.00%				Tax conversion factor		1.40335											
6	Common equity		52.50%	9.48%																		
7	Total		100.00%		7.18%				E2 Factor		53.544%											
8																						
9																						
10	Federal Production Tax Credit																					
11	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	\$ 27.50	\$ 27.50	\$ 27.50	\$ 27.50	\$ 27.50		
12	Output (MWH) / month		9,203	16,133	16,850	15,281	15,649	13,996	12,595	12,873	15,190	16,457	15,787	16,986	17,000	16,986	17,000	16,986	17,000	16,986		
13	Federal PTC Available based on production		253,073	443,660	463,388	420,221	430,338	384,885	346,368	354,017	417,734	452,567	434,139	467,109	467,500	467,500	467,500	467,500	467,500	467,500		
14																						
15	Credit to Customer		253,073	443,660	463,388	420,221	430,338	384,885	346,368	354,017	417,734	452,567	434,139	467,109	467,500	467,500	467,500	467,500	467,500	467,500		
16	Credit to Customer - Cumulative		253,073	696,733	1,160,121	1,580,343	2,010,680	2,395,566	2,741,933	3,095,951	3,513,685	3,966,252	4,400,391	4,867,500	4,867,500	4,867,500	4,867,500	4,867,500	4,867,500	4,867,500		
17																						
18	Federal PTC Used on tax return		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
19	Deferred		253,073	443,660	463,388	420,221	430,338	384,885	346,368	354,017	417,734	452,567	434,139	467,109	467,500	467,500	467,500	467,500	467,500	467,500		
20	Accumulated Deferred		1,154,321	1,597,981	2,061,369	2,481,591	2,911,929	3,296,814	3,643,182	3,997,199	4,414,933	4,867,500	5,301,639	5,768,748	5,768,748	5,768,748	5,768,748	5,768,748	5,768,748	5,768,748		
21																						
22	Deferred Tax																					
23	Book depreciation		107,589	107,589	107,589	107,589	107,589	107,589	107,589	107,589	107,589	107,589	107,589	107,589	107,589	107,589	107,589	107,589	107,589	1,291,065		
24	Tax depreciation-Federal		1,300,019	1,300,019	1,300,019	1,300,019	1,300,019	1,300,019	1,300,019	1,300,019	1,300,019	1,300,019	1,300,019	1,300,019	1,300,019	1,300,019	1,300,019	1,300,019	1,300,019	15,600,232		
25	Tax depreciation-MN		1,300,019	1,300,019	1,300,019	1,300,019	1,300,019	1,300,019	1,300,019	1,300,019	1,300,019	1,300,019	1,300,019	1,300,019	1,300,019	1,300,019	1,300,019	1,300,019	1,300,019	15,600,232		
26	Book vs. tax depreciation		(1,192,431)	(1,192,431)	(1,192,431)	(1,192,431)	(1,192,431)	(1,192,431)	(1,192,431)	(1,192,431)	(1,192,431)	(1,192,431)	(1,192,431)	(1,192,431)	(1,192,431)	(1,192,431)	(1,192,431)	(1,192,431)	(1,192,431)	(14,309,166)		
27	MACRS05-HALF																					
28	Tax depreciation-Federal YR01		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
29	Tax depreciation-Federal YR02		1,300,019	1,300,019	1,300,019	1,300,019	1,300,019	1,300,019	1,300,019	1,300,019	1,300,019	1,300,019	1,300,019	1,300,019	1,300,019	1,300,019	1,300,019	1,300,019	1,300,019	15,600,232		
30	Tax depreciation-Federal YR03		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
31	Tax depreciation-Federal YR04		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
32	Tax depreciation-Federal YR05		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
33	Tax depreciation-Federal YR06		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
34																						
35	Federal deferred income taxes		(225,870)	(225,870)	(225,870)	(225,870)	(225,870)	(225,870)	(225,870)	(225,870)	(225,870)	(225,870)	(225,870)	(225,870)	(225,870)	(225,870)	(225,870)	(225,870)	(225,870)	(2,710,442)		
36	State deferred income taxes		(116,858)	(116,858)	(116,858)	(116,858)	(116,858)	(116,858)	(116,858)	(116,858)	(116,858)	(116,858)	(116,858)	(116,858)	(116,858)	(116,858)	(116,858)	(116,858)	(116,858)	(1,402,298)		

[illegible]

**Otter Tail Power Company
Minnesota Renewable Resource Rider
Ashtabula I Wind Farm - Repower Project**

[illegible][illegible]

Otter Tail Power Company
Minnesota Renewable Resource Rider
Ashtabula I 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	-	-	-	-	-	-	44,697,850	49,921,677	50,593,434	50,816,781	52,416,781	54,684,823	54,684,823
3	Accumulated Depreciation	-	-	-	-	-	-	-	(98,972)	(209,511)	(321,538)	(434,059)	(550,123)	(550,123)
4	Net Plant in Service	-	-	-	-	-	-	44,697,850	49,822,705	50,383,923	50,495,243	51,982,722	54,134,700	54,134,700
6	CWIP Calculation:													
7	Beginning	25,630,099	25,635,055	25,640,012	25,644,968	25,649,925	26,811,404	42,875,412	15,986	-	-	-	-	25,630,099
8	Additional CWIP	5,000	5,000	5,000	5,000	1,171,667	16,204,921	1,838,424	5,207,841	671,757	223,347	1,600,000	2,268,042	29,205,999
9	Removal of Internal Costs	(43)	(43)	(43)	(43)	(10,188)	(140,912)	(15,986)	(45,286)	(5,841)	(1,942)	-	-	-
10	Closings from CWIP	-	-	-	-	-	-	(44,697,850)	(5,223,827)	(671,757)	(223,347)	(1,600,000)	(2,268,042)	(54,684,823)
11	AFUDC	-	-	-	-	-	-	-	-	-	-	-	-	-
12	CWIP	25,635,055	25,640,012	25,644,968	25,649,925	26,811,404	42,875,412	15,986	-	-	-	-	-	151,275
13	ADIT Pro-Rated	0.41370	0.33699	0.25205	0.16986	0.08493	0.00274	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
14	Accum. Deferred Inc. Taxes - Fed Only	-	-	-	-	-	-	(345,280)	(671,813)	(996,154)	(1,320,214)	(1,644,180)	(1,967,476)	(1,967,476)
15	Accum. Deferred Inc. Taxes - Fed & State	-	-	-	-	-	-	(523,917)	(1,019,388)	(1,511,533)	(2,003,252)	(2,494,828)	(2,985,386)	(2,985,386)
16	Accum. Deferred Inc. Taxes - Fed & State - No Prorate	-	-	-	-	-	-	(523,917)	(1,019,388)	(1,511,533)	(2,003,252)	(2,494,828)	(2,985,386)	(2,985,386)
17	Accum. Deferred Inc. Taxes - Federal PTC	-	-	-	-	-	-	410,945	830,966	1,326,583	1,863,526	2,378,606	2,932,804	2,932,804
18	End of month rate base	25,635,055	25,640,012	25,644,968	25,649,925	26,811,404	42,875,412	44,600,864	49,634,283	50,198,972	50,355,518	51,866,500	54,082,118	54,233,393
19	End of month rate base - No Prorate	25,635,055	25,640,012	25,644,968	25,649,925	26,811,404	42,875,412	44,600,864	49,634,283	50,198,972	50,355,518	51,866,500	54,082,118	54,233,393
20	Average rate base	3,197,459	3,197,459	3,197,459	3,197,459	3,197,459	3,197,459	3,197,459	3,197,459	3,197,459	3,197,459	3,197,459	3,197,459	38,369,507
21	Return on Rate Base	229,458	229,458	229,458	229,458	229,458	229,458	229,458	229,458	229,458	229,458	229,458	229,458	2,753,492
22	Available for return (equity portion of rate base)	159,138	159,138	159,138	159,138	159,138	159,138	159,138	159,138	159,138	159,138	159,138	159,138	1,909,650
23														
24														
25														
26														
27														
28	EXPENSES													
29	O&M and Depreciation													
30	Operating Costs													-
31	Net Self Fund Transmission Payments													-
32	Ground Lease Payments													-
33	Property Tax	-	-	-	-	-	-	-	-	-	-	-	-	-
34	Book Depreciation	-	-	-	-	-	-	-	98,972	110,539	112,027	112,521	116,064	550,123
35	Total O&M and Depreciation Expense	-	-	-	-	-	-	-	98,972	110,539	112,027	112,521	116,064	550,123
36														
37	Income before Taxes													
38	Available for return (from above)	159,138	159,138	159,138	159,138	159,138	159,138	159,138	159,138	159,138	159,138	159,138	159,138	1,909,650
39	Less book tax credits - Federal PTC	-	-	-	-	-	-	(410,945)	(420,021)	(495,617)	(536,944)	(515,080)	(554,198)	(2,932,804)
40	Adjusted Income before interest and taxes	159,138	159,138	159,138	159,138	159,138	159,138	(251,807)	(260,883)	(336,479)	(377,806)	(355,942)	(395,060)	(1,023,153)
41														
42	Taxable Income (grossed up)	223,326	223,326	223,326	223,326	223,326	223,326	(353,374)	(366,111)	(472,199)	(530,195)	(499,512)	(554,408)	(1,435,843)
43														
44	Income Taxes													
45	Current and Def Income Taxes	64,188	64,188	64,188	64,188	64,188	64,188	(101,567)	(105,227)	(135,719)	(152,389)	(143,570)	(159,348)	(412,690)
46	Federal PTC	(410,945)	(410,945)	(410,945)	(410,945)	(410,945)	(410,945)	(410,945)	(420,021)	(495,617)	(536,944)	(515,080)	(554,198)	(2,932,804)
47	Total Income Tax Expense	64,188	64,188	64,188	64,188	64,188	64,188	(512,512)	(525,248)	(631,336)	(689,332)	(658,649)	(713,546)	(3,345,494)
48														
49	REVENUE REQUIREMENTS													
50	Expenses	64,188	64,188	64,188	64,188	64,188	64,188	(512,512)	(426,276)	(520,797)	(577,306)	(546,128)	(597,482)	(2,795,371)
51	Return on rate base	229,458	229,458	229,458	229,458	229,458	229,458	229,458	229,458	229,458	229,458	229,458	229,458	2,753,492
52														
53	Total revenue requirements	293,646	293,646	293,646	293,646	293,646	293,646	(283,054)	(196,818)	(291,340)	(347,848)	(316,671)	(368,024)	(41,879)
54														
55	Minnesota share - E2 factor	157,230	157,230	157,230	157,230	157,230	157,230	(151,558)	(105,384)	(155,995)	(186,252)	(169,558)	(197,055)	(22,424)

1	SUPPORTING INFORMATION / DATA														
2	MN Cap structure with allowed ROE per order.														
3	Capital Structure	Ratio	Cost	WA Cost				Fed Portion	State Portion						
4	Debt	47.50%	4.63%	2.20%				28.74%	18.94%						
5	Preferred equity	0.00%	0.00%	0.00%				1.40335							
6	Common equity	52.50%	9.48%	4.98%											
7	Total	100.00%		7.18%				E2 Factor	53.544%						
8															
9															
10	Federal Production Tax Credit														
11	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	\$ 27.50
12	Output (MWH) / month							14,943	15,273	18,022	19,525	18,730	20,153	106,647	
13	Federal PTC Available based on production	-	-	-	-	-	-	410,945	420,021	495,617	536,944	515,080	554,198	2,932,804	
14	Credit to Customer	-	-	-	-	-	-	410,945	420,021	495,617	536,944	515,080	554,198	2,932,804	
15	Credit to Customer - Cumulative	-	-	-	-	-	-	410,945	830,966	1,326,583	1,863,526	2,378,606	2,932,804	2,932,804	
16															
17															
18	Federal PTC Used on tax return	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Deferred	-	-	-	-	-	-	410,945	420,021	495,617	536,944	515,080	554,198	2,932,804	
20	Accumulated Deferred	-	-	-	-	-	-	410,945	830,966	1,326,583	1,863,526	2,378,606	2,932,804	2,932,804	
21															
22	Deferred Tax														
23	Book depreciation	-	-	-	-	-	-	-	98,972	110,539	112,027	112,521	116,064	550,123	
24	Tax depreciation-Federal	-	-	-	-	-	-	1,822,827	1,822,827	1,822,827	1,822,827	1,822,827	1,822,827	10,936,965	
25	Tax depreciation-MN	-	-	-	-	-	-	1,822,827	1,822,827	1,822,827	1,822,827	1,822,827	1,822,827	10,936,965	
26	Book vs. tax depreciation	-	-	-	-	-	-	(1,822,827)	(1,723,855)	(1,712,288)	(1,710,801)	(1,710,306)	(1,706,764)	(10,386,842)	
27	MACRS05.HALF														
28	Tax depreciation-Federal YR01	-	-	-	-	-	-	1,822,827	1,822,827	1,822,827	1,822,827	1,822,827	1,822,827	10,936,965	
29	Tax depreciation-Federal YR02	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Tax depreciation-Federal YR03	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31	Tax depreciation-Federal YR04	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	Tax depreciation-Federal YR05	-	-	-	-	-	-	-	-	-	-	-	-	-	-
33	Tax depreciation-Federal YR06	-	-	-	-	-	-	-	-	-	-	-	-	-	-
34															
35															
36															
37															
38	Federal deferred income taxes	-	-	-	-	-	-	(345,280)	(326,533)	(324,342)	(324,060)	(323,966)	(323,295)	(1,967,476)	
39	State deferred income taxes	-	-	-	-	-	-	(178,637)	(168,938)	(167,804)	(167,658)	(167,610)	(167,263)	(1,017,911)	

[illegible]

Otter Tail Power Company
Minnesota Renewable Resource Rider
Luverne 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 - Luverne	-	-	-	-	-	-	-	-	57,733,763	57,733,763	57,733,763	57,733,763	57,733,763
3	Accumulated Depreciation	-	-	-	-	-	-	-	-	-	(139,701)	(279,403)	(419,104)	(419,104)
4	Net Plant in Service	-	-	-	-	-	-	-	-	57,733,763	57,594,062	57,454,361	57,314,660	57,314,660
6	CWIP Calculation:													
7	Beginning	32,897,228	32,902,184	32,907,141	32,931,923	32,956,706	50,806,972	54,920,213	55,237,197	57,733,763	-	-	-	32,897,228
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	Removal of Internal Costs	(43)	(43)	(217)	(217)	(156,581)	(36,081)	(2,781)	(21,900)	-	-	-	-	-
10	Closings from CWIP	-	-	-	-	-	-	-	-	(57,733,763)	-	-	-	(57,733,763)
11	AFUDC	-	-	-	-	-	-	-	-	-	-	-	-	-
12	CWIP	32,902,184	32,907,141	32,931,923	32,956,706	50,806,972	54,920,213	55,237,197	57,733,763	-	-	-	-	217,864
13	ADIT Pro-Rated	0.41370	0.33699	0.25205	0.16986	0.08493	0.00274	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
14	Accum. Deferred Inc. Taxes - Fed Only	-	-	-	-	-	-	-	-	(546,796)	(1,067,131)	(1,587,465)	(2,107,799)	(2,107,799)
15	Accum. Deferred Inc. Taxes - Fed & State	-	-	-	-	-	-	-	-	(829,692)	(1,619,231)	(2,408,770)	(3,198,309)	(3,198,309)
16	Accum. Deferred Inc. Taxes - Fed & State - No Prorate	-	-	-	-	-	-	-	-	(829,692)	(1,619,231)	(2,408,770)	(3,198,309)	(3,198,309)
17	Accum. Deferred Inc. Taxes - Federal PTC	-	-	-	-	-	-	-	-	512,138	1,066,979	1,599,228	2,171,899	2,171,899
18	End of month rate base	32,902,184	32,907,141	32,931,923	32,956,706	50,806,972	54,920,213	55,237,197	57,733,763	57,416,209	57,041,811	56,644,819	56,288,250	56,506,114
19	End of month rate base - No Prorate	32,902,184	32,907,141	32,931,923	32,956,706	50,806,972	54,920,213	55,237,197	57,733,763	57,416,209	57,041,811	56,644,819	56,288,250	56,506,114
20	Average rate base	3,916,166	3,916,166	3,916,166	3,916,166	3,916,166	3,916,166	3,916,166	3,916,166	3,916,166	3,916,166	3,916,166	3,916,166	46,993,996
21	Return on Rate Base	281,034	281,034	281,034	281,034	281,034	281,034	281,034	281,034	281,034	281,034	281,034	281,034	3,372,407
22	Available for return (equity portion of rate base)	194,908	194,908	194,908	194,908	194,908	194,908	194,908	194,908	194,908	194,908	194,908	194,908	2,338,891
23														
24														
25														
26														
27														
28	EXPENSES													
29	O&M and Depreciation													
30	Operating Costs													-
31	Net Self Fund Transmission Payments													-
32	Ground Lease Payments													-
33	Property Tax	-	-	-	-	-	-	-	-	-	-	-	-	-
34	Book Depreciation	-	-	-	-	-	-	-	-	-	139,701	139,701	139,701	419,104
35	Total O&M and Depreciation Expense	-	-	-	-	-	-	-	-	-	139,701	139,701	139,701	419,104
36														
37	Income before Taxes													
38	Available for return (from above)	194,908	194,908	194,908	194,908	194,908	194,908	194,908	194,908	194,908	194,908	194,908	194,908	2,338,891
39	Less book tax credits - Federal PTC	-	-	-	-	-	-	-	-	(512,138)	(554,842)	(532,249)	(572,671)	(2,171,899)
40	Adjusted Income before interest and taxes	194,908	194,908	194,908	194,908	194,908	194,908	194,908	194,908	(317,230)	(359,934)	(337,341)	(377,763)	166,992
41														
42	Taxable Income (grossed up)	273,524	273,524	273,524	273,524	273,524	273,524	273,524	273,524	(445,185)	(505,114)	(473,409)	(530,135)	234,348
43														
44	Income Taxes													
45	Current and Def Income Taxes	78,616	78,616	78,616	78,616	78,616	78,616	78,616	78,616	(127,955)	(145,180)	(136,067)	(152,371)	87,356
46	Federal PTC	-	-	-	-	-	-	-	-	(512,138)	(554,842)	(532,249)	(572,671)	(2,171,899)
47	Total Income Tax Expense	78,616	78,616	78,616	78,616	78,616	78,616	78,616	78,616	(640,093)	(700,022)	(668,316)	(725,042)	(2,104,543)
48														
49	REVENUE REQUIREMENTS													
50	Expenses	78,616	78,616	78,616	78,616	78,616	78,616	78,616	78,616	(640,093)	(540,320)	(528,615)	(585,341)	(1,685,439)
51	Return on rate base	281,034	281,034	281,034	281,034	281,034	281,034	281,034	281,034	281,034	281,034	281,034	281,034	3,372,407
52														
53	Total revenue requirements	359,650	359,650	359,650	359,650	359,650	359,650	359,650	359,650	(359,059)	(279,286)	(247,581)	(304,307)	1,686,968
54														
55	Minnesota share - E2 factor	192,571	192,571	192,571	192,571	192,571	192,571	192,571	192,571	(192,254)	(149,541)	(132,565)	(162,938)	903,269

1	SUPPORTING INFORMATION / DATA														
2	MN Cap structure with allowed ROE per order.														
3	Capital Structure	Ratio	Cost	WA Cost				Fed Portion	State Portion						
4	Debt	47.50%	4.63%	2.20%				28.74%	18.94%						
5	Preferred equity	0.00%	0.00%	0.00%				1.40335							
6	Common equity	52.50%	9.48%	4.98%											
7	Total	100.00%		7.18%					53.544%						
8															
9															
10															
11	Federal Production Tax Credit														
12	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	\$ 27.50
13	Output (MWH) / month									18,623	20,176	19,355	20,824		78,978
14	Federal PTC Available based on production	-	-	-	-	-	-	-	-	512,138	554,842	532,249	572,671		2,171,899
15	Credit to Customer	-	-	-	-	-	-	-	-	512,138	554,842	532,249	572,671		2,171,899
16	Credit to Customer - Cumulative	-	-	-	-	-	-	-	-	512,138	1,066,979	1,599,228	2,171,899		2,171,899
17															
18	Federal PTC Used on tax return	-	-	-	-	-	-	-	-	-	-	-	-		-
19	Deferred	-	-	-	-	-	-	-	-	512,138	554,842	532,249	572,671		2,171,899
20	Accumulated Deferred	-	-	-	-	-	-	-	-	512,138	1,066,979	1,599,228	2,171,899		2,171,899
21															
22	Deferred Tax														
23	Book depreciation	-	-	-	-	-	-	-	-	-	139,701	139,701	139,701		419,104
24	Tax depreciation-Federal	-	-	-	-	-	-	-	-	2,886,688	2,886,688	2,886,688	2,886,688		11,546,753
25	Tax depreciation-MN	-	-	-	-	-	-	-	-	2,886,688	2,886,688	2,886,688	2,886,688		11,546,753
26	Book vs. tax depreciation	-	-	-	-	-	-	-	-	(2,886,688)	(2,746,987)	(2,746,987)	(2,746,987)		(11,127,649)
	MACRS05.HALF														
	Tax depreciation-Federal YR01									2,886,688	2,886,688	2,886,688	2,886,688		11,546,753
	Tax depreciation-Federal YR02														
	Tax depreciation-Federal YR03														
	Tax depreciation-Federal YR04														
	Tax depreciation-Federal YR05														
	Tax depreciation-Federal YR06														
27															
28	Federal deferred income taxes	-	-	-	-	-	-	-	-	(546,796)	(520,334)	(520,334)	(520,334)		(2,107,799)
29	State deferred income taxes	-	-	-	-	-	-	-	-	(282,895)	(269,205)	(269,205)	(269,205)		(1,090,510)

[illegible]

[illegible]

Otter Tail Power Company
Minnesota 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	
1	RATE BASE													
2	Plant Balance - Ashtabula III	-	-	-	-	-	-	-	-	-	-	63,411,470	66,275,751	66,275,751
3	Accumulated Depreciation	-	-	-	-	-	-	-	-	-	-	-	(143,817)	(143,817)
4	Net Plant in Service	-	-	-	-	-	-	-	-	-	-	63,411,470	66,131,934	66,131,934
6	CWIP Calculation:													
7	Beginning	35,092,968	35,097,924	35,102,881	35,107,837	35,112,794	35,117,750	53,639,443	57,144,384	57,809,951	58,475,518	61,478,426	-	35,092,968
8	Additional CWIP	5,000	5,000	5,000	5,000	5,000	5,000	18,684,164	3,535,686	671,405	3,029,250	1,950,000	2,864,281	31,431,191
9	Removal of Internal Costs	(43)	(43)	(43)	(43)	(43)	(43)	(162,471)	(30,745)	(5,838)	(5,838)	(26,341)	(16,957)	(24,907)
10	Closings from CWIP	-	-	-	-	-	-	-	-	-	-	-	-	-
11	AFUDC	-	-	-	-	-	-	-	-	-	-	(63,411,470)	(2,864,281)	(66,275,751)
12	CWIP	35,097,924	35,102,881	35,107,837	35,112,794	35,117,750	53,639,443	57,144,384	57,809,951	58,475,518	61,478,426	-	(24,907)	248,408
13	ADIT Pro-Rated	0.41370	0.33699	0.25205	0.16986	0.08493	0.00274	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
14	Accum. Deferred Inc. Taxes - Fed Only	-	-	-	-	-	-	-	-	-	-	(1,255,395)	(2,483,549)	(2,483,549)
15	Accum. Deferred Inc. Taxes - Fed & State	-	-	-	-	-	-	-	-	-	-	(1,904,898)	(3,768,459)	(3,768,459)
16	Accum. Deferred Inc. Taxes - Fed & State - No Prorate	-	-	-	-	-	-	-	-	-	-	(1,904,898)	(3,768,459)	(3,768,459)
17	Accum. Deferred Inc. Taxes - Federal PTC	-	-	-	-	-	-	-	-	-	-	-	1,390,061	1,390,061
18	End of month rate base	35,097,924	35,102,881	35,107,837	35,112,794	35,117,750	53,639,443	57,144,384	57,809,951	58,475,518	61,478,426	62,176,176	63,728,628	64,001,943
19	End of month rate base - No Prorate	35,097,924	35,102,881	35,107,837	35,112,794	35,117,750	53,639,443	57,144,384	57,809,951	58,475,518	61,478,426	62,176,176	63,728,628	64,001,943
20	Average rate base	4,008,561	4,008,561	4,008,561	4,008,561	4,008,561	4,008,561	4,008,561	4,008,561	4,008,561	4,008,561	4,008,561	4,008,561	48,102,727
21	Return on Rate Base	287,664	287,664	287,664	287,664	287,664	287,664	287,664	287,664	287,664	287,664	287,664	287,664	3,451,972
22	Available for return (equity portion of rate base)	199,506	199,506	199,506	199,506	199,506	199,506	199,506	199,506	199,506	199,506	199,506	199,506	2,394,073
23														
24														
25														
26														
27														
28	EXPENSES													
29	O&M and Depreciation													
30	Operating Costs													-
31	Net Self Fund Transmission Payments													-
32	Ground Lease Payments													-
33	Property Tax	-	-	-	-	-	-	-	-	-	-	-	-	-
34	Book Depreciation	-	-	-	-	-	-	-	-	-	-	-	143,817	143,817
35	Total O&M and Depreciation Expense	-	-	-	-	-	-	-	-	-	-	-	143,817	143,817
36														
37	Income before Taxes													
38	Available for return (from above)	199,506	199,506	199,506	199,506	199,506	199,506	199,506	199,506	199,506	199,506	199,506	199,506	2,394,073
39	Less book tax credits - Federal PTC	-	-	-	-	-	-	-	-	-	-	(669,604)	(720,457)	(1,390,061)
40	Adjusted Income before interest and taxes	199,506	199,506	199,506	199,506	199,506	199,506	199,506	199,506	199,506	199,506	199,506	(470,098)	1,004,012
41														
42	Taxable Income (grossed up)	279,977	279,977	279,977	279,977	279,977	279,977	279,977	279,977	279,977	279,977	279,977	(659,712)	1,408,982
43														
44	Income Taxes													
45	Current and Def Income Taxes	80,471	80,471	80,471	80,471	80,471	80,471	80,471	80,471	80,471	80,471	80,471	(189,614)	404,969
46	Federal PTC	-	-	-	-	-	-	-	-	-	-	-	(669,604)	(1,390,061)
47	Total Income Tax Expense	80,471	80,471	80,471	80,471	80,471	80,471	80,471	80,471	80,471	80,471	80,471	(859,218)	(985,091)
48														
49	REVENUE REQUIREMENTS													
50	Expenses	80,471	80,471	80,471	80,471	80,471	80,471	80,471	80,471	80,471	80,471	80,471	(859,218)	(786,766)
51	Return on rate base	287,664	287,664	287,664	287,664	287,664	287,664	287,664	287,664	287,664	287,664	287,664	287,664	3,451,972
52														
53	Total revenue requirements	368,135	368,135	368,135	368,135	368,135	368,135	368,135	368,135	368,135	368,135	368,135	(571,554)	2,610,698
54														
55	Minnesota share - E2 factor	197,114	197,114	197,114	197,114	197,114	197,114	197,114	197,114	197,114	197,114	197,114	(306,032)	1,397,871

1	SUPPORTING INFORMATION / DATA														
2	MN Cap structure with allowed ROE per order.														
3	Capital Structure	Ratio	Cost	WA Cost				Fed Portion	State Portion						
4	Debt	47.50%	4.63%	2.20%				28.74%	18.94%						
5	Preferred equity	0.00%	0.00%	0.00%				1.40335							
6	Common equity	52.50%	9.48%	4.98%											
7	Total	100.00%		7.18%											
8															
9															
10															
11	Federal Production Tax Credit														
12	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	\$ 27.50
13	Output (MWH) / month												24,349	26,198	50,548
14	Federal PTC Available based on production	-	-	-	-	-	-	-	-	-	-	-	669,604	720,457	1,390,061
15	Credit to Customer	-	-	-	-	-	-	-	-	-	-	-	669,604	720,457	1,390,061
16	Credit to Customer - Cumulative	-	-	-	-	-	-	-	-	-	-	-	669,604	1,390,061	1,390,061
17															
18	Federal PTC Used on tax return	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Deferred	-	-	-	-	-	-	-	-	-	-	-	669,604	720,457	1,390,061
20	Accumulated Deferred	-	-	-	-	-	-	-	-	-	-	-	669,604	1,390,061	1,390,061
21															
22	Deferred Tax														
23	Book depreciation	-	-	-	-	-	-	-	-	-	-	-	143,817	143,817	143,817
24	Tax depreciation-Federal	-	-	-	-	-	-	-	-	-	-	-	6,627,575	6,627,575	13,255,150
25	Tax depreciation-MN	-	-	-	-	-	-	-	-	-	-	-	6,627,575	6,627,575	13,255,150
26	Book vs. tax depreciation	-	-	-	-	-	-	-	-	-	-	-	(6,627,575)	(6,483,758)	(13,111,333)
27	MACRS05.HALF														
28	Tax depreciation-Federal YR01												6,627,575	6,627,575	13,255,150
29	Tax depreciation-Federal YR02														
30	Tax depreciation-Federal YR03														
31	Tax depreciation-Federal YR04														
32	Tax depreciation-Federal YR05														
33	Tax depreciation-Federal YR06														
34															
35															
36															
37															
38	Federal deferred income taxes	-	-	-	-	-	-	-	-	-	-	-	(1,255,395)	(1,228,153)	(2,483,549)
39	State deferred income taxes	-	-	-	-	-	-	-	-	-	-	-	(649,502)	(635,408)	(1,284,911)

**Otter Tail Power Company
Minnesota Renewable Resource Rider
Federal ADIT Proration**

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

Line No.	Month	July 2024 - June 2025 Recovery Period		
		All Projects' Revenue Requirements	All Projects' Revenue Requirements with ADIT-Prorate	Difference due to Federal ADIT Proration (B - A)
1	Jul-24	\$ 804,462	\$ 805,392	\$ 930
2	Aug-24	849,106	850,036	930
3	Sep-24	1,010,795	1,011,724	930
4	Oct-24	1,058,197	1,059,127	930
5	Nov-24	1,223,110	1,224,040	930
6	Dec-24	1,277,514	1,278,444	930
7	Jan-25	1,017,768	1,020,013	2,244
8	Feb-25	1,345,260	1,347,504	2,244
9	Mar-25	1,079,607	1,081,851	2,244
10	Apr-25	1,055,786	1,058,030	2,244
11	May-25	1,088,544	1,090,788	2,244
12	Jun-25	1,184,425	1,186,670	2,244
13		\$ 12,994,575	\$ 13,013,620	\$ 19,045
14				
15	Revenue Requirement Adjustment			\$ 19,045
16	Related to Federal ADIT Proration			

Otter Tail Power Company
Minnesota Renewable Resource Rider
Federal ADIT Proration -- Preserve True-Up Period
Non-Solar

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

July 2023 - June 2024				
Line No.	Month	Original ADIT Balance - All Non-Solar Projects	Federal ADIT Prorate Balance - All Non-Solar Projects	Difference due to Federal ADIT Proration (B - A)
1	Jun-23	(811,915)	(797,511)	14,405
2	Jul-23	(930,638)	(914,252)	
3	Aug-23	(1,038,332)	(1,020,185)	
4	Sep-23	(1,135,362)	(1,115,664)	
5	Oct-23	(1,221,382)	(1,200,336)	
6	Nov-23	(1,296,752)	(1,274,555)	
7	Dec-23	(1,361,129)	(1,337,973)	
8	Jan-24	(1,456,373)	(1,430,676)	
9	Feb-24	(1,533,941)	(1,506,189)	
10	Mar-24	(1,591,948)	(1,562,671)	
11	Apr-24	(1,631,032)	(1,600,734)	
12	May-24	(1,650,570)	(1,619,766)	
13	Jun-24	(1,651,200)	(1,620,380)	30,820
14	Simple Average	(1,231,558)	(1,208,945)	22,613
15				
16	Rate Base Rev Req Gross Up Factor			9.18%
17	Total Company Revenue Requirement \$			2,077
18				
19	MN Revenue Requirement Related to			\$ 1,112
20	Federal ADIT Proration-Preservation			
21				
22				
23	Tax Conversion Factor	1.4034	(1/(1-24.4%))	
24	Gross Up of Equity %	6.98%	(D23 * D31)	
25	Equity Return %	4.98%	(D31)	
26	Gross Up Factor	2.01%	(D24 - D25)	
27				
28		Annual	Monthly	
29	Debt Return %	2.20%	0.18%	
30	Preferred Equity %	0.00%	0.00%	
31	Equity Return %	4.98%	0.41%	
32	Rate of Return	7.18%	0.60%	
33	Tax RR on Equity Return	2.01%	0.17%	
34	Rate Base Rev Req Gross Up Factor	9.18%	0.77%	

Otter Tail Power Company
Minnesota Renewable Resource Rider
Federal ADIT Proration -- Preserve True-Up Period
Solar

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

	July 2023 - June 2024			
Line No.	Month	Original ADIT Balance - All Solar Projects	Federal ADIT Prorate Balance - All Solar Projects	Difference due to Federal ADIT Proration (B - A)
1	Jun-23	-	-	-
2	Jul-23	(256,153)	-	
3	Aug-23	(488,601)	(398,386)	
4	Sep-23	(698,111)	(747,536)	
5	Oct-23	(883,918)	(1,072,744)	
6	Nov-23	(1,046,785)	(1,374,793)	
7	Dec-23	(1,185,948)	(1,653,139)	
8	Jan-24	(1,301,408)	(1,764,809)	
9	Feb-24	(1,395,458)	(1,855,772)	
10	Mar-24	(1,465,804)	(1,923,809)	
11	Apr-24	(1,513,212)	(1,969,660)	
12	May-24	(1,536,915)	(1,992,586)	
13	Jun-24	(1,537,680)	(1,993,326)	(455,646)
14	Simple Average	(768,840)	(996,663)	(227,823)
15				
16	Rate Base Rev Req Gross Up Factor			9.18%
17	Total Company Revenue Requirement \$			(20,923)
18				
19	MN Revenue Requirement Related to			\$ (20,923)
20	Federal ADIT Proration-Preservation			
21				
22				
23	Tax Conversion Factor	1.4034	(1/(1-24.4%))	
24	Gross Up of Equity %	6.98%	(D23 * D31)	
25	Equity Return %	4.98%	(D31)	
26	Gross Up Factor	2.01%	(D24 - D25)	
27				
28			Annual	Monthly
29	Debt Return %	2.20%	0.18%	
30	Preferred Equity %	0.00%	0.00%	
31	Equity Return %	4.98%	0.41%	
32	Rate of Return	7.18%	0.60%	
33	Tax RR on Equity Return	2.01%	0.17%	
34	Rate Base Rev Req Gross Up Factor	9.18%	0.77%	

[PROTECTED DATA BEGINS...

Docket No. E017/M-23-
Attachments 14 and 15
are CONFIDENTIAL
in their Entirety

...PROTECTED DATA ENDS]

Docket No. E017/M-23-
Attachment 16
Redline and Clean Versions of
Tariff Sheet MN 13.04 – Renewable Resource
Cost Recovery Rider



Fergus Falls, Minnesota

Minnesota Public Utilities Commission
Section 13.04
ELECTRIC RATE SCHEDULE
Renewable Resource Cost Recovery Rider

Page 1 of 2
~~Fifteenth~~^{Fourteenth} Revision

RENEWABLE RESOURCE COST RECOVERY RIDER

DESCRIPTION	RATE CODE
Large General Service – Demand Charge	MRRAD
Large General Service – Energy Charge	MRRAL
Large General Service – SES-Exempt – Demand Charge	MRRD
Large General Service – SES-Exempt – Energy Charge	MRRLG
All Other Service	MRRA
All Other Service – SES-Exempt	MRROT

RULES AND REGULATIONS: Terms and conditions of this rider and the General Rules and Regulations govern use of this schedule.

APPLICATION OF RIDER: This rider is applicable to electric service under all of the Company's Retail Rate Schedules.

COST RECOVERY FACTOR: There shall be included on each Minnesota Customer's monthly bill a Renewable Resource Cost Recovery charge, which shall be calculated before any applicable municipal payment adjustments and sales taxes as provided in the General Rules and Regulations for the Company's electric service. The following charges are applicable in addition to all charges for service being taken under the Company's standard rate schedules and will be included in the Resource Adjustment line item on the Customer's bill.

RATE:

RENEWABLE RESOURCE COST RECOVERY			
Energy Charge per kWh:		kWh	kW
Large General Service (a)	0. 239474	¢/kWh	\$0. 371920
Large General Service SES-Exempt (a)	0. 177312	¢/kWh	\$0. 530889
All Other Service	0. 306674	¢/kWh	N/A
All Other Service SES-Exempt	0. 463803	¢/kWh	N/A
(a) Rate schedules 10.04 Large General Service, 10.05 Large General Service – Time of Day, 10.06 Super Large General Service, 14.02 Real Time Pricing Rider and 14.03 Large General Service Rider.			



Fergus Falls, Minnesota

SES-EXEMPTION DEFINITION: Paper mills, wood product manufacturers, sawmills, and oriented strand board manufacturers are not included in the rates charged to satisfy the Solar Energy Standard, per MN Statute 216B.1691, Subd. 2f (f) (2).

DETERMINATION OF DEMAND CHARGE (LARGE GENERAL SERVICE CLASS

ONLY): The Demand charge shall be based on the maximum kW Demand as adjusted for Excess Reactive Demand measured during any period of the month for which the bill is rendered. The Excess Reactive Demand shall be calculated based on the applicable rate schedule under which the Customer is taking service.

ADJUSTMENT FOR EXCESS REACTIVE DEMAND: For billing purposes, the Metered Demand may be increased by 1 kW for each whole 10 kVar of measured Reactive Demand in excess of 50% of the Metered Demand in kW.

MANDATORY AND VOLUNTARY RIDERS: The amount of a bill for service will be modified by any Mandatory Rate Riders that must apply and by any Voluntary Rate Riders selected by the Customer, unless otherwise noted in this rider. See Sections 12.00, 13.00 and 14.00 of the Minnesota electric rates for the matrices of riders.



Fergus Falls, Minnesota

RENEWABLE RESOURCE COST RECOVERY RIDER

DESCRIPTION	RATE CODE
Large General Service – Demand Charge	MRRAD
Large General Service – Energy Charge	MRRAL
Large General Service – SES-Exempt – Demand Charge	MRRD
Large General Service – SES-Exempt – Energy Charge	MRRLG
All Other Service	MRRA
All Other Service – SES-Exempt	MRROT

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RULES AND REGULATIONS: Terms and conditions of this rider and the General Rules and Regulations govern use of this schedule.

APPLICATION OF RIDER: This rider is applicable to electric service under all of the Company's Retail Rate Schedules.

COST RECOVERY FACTOR: There shall be included on each Minnesota Customer's monthly bill a Renewable Resource Cost Recovery charge, which shall be calculated before any applicable municipal payment adjustments and sales taxes as provided in the General Rules and Regulations for the Company's electric service. The following charges are applicable in addition to all charges for service being taken under the Company's standard rate schedules and will be included in the Resource Adjustment line item on the Customer's bill.

RATE:

RENEWABLE RESOURCE COST RECOVERY			
Energy Charge per kWh:		kWh	kW
Large General Service (a)	0.239	¢/kWh	\$0.371
Large General Service SES-Exempt (a)	0.177	¢/kWh	\$0.530
All Other Service	0.306	¢/kWh	N/A
All Other Service SES-Exempt	0.463	¢/kWh	N/A
(a) Rate schedules 10.04 Large General Service, 10.05 Large General Service – Time of Day, 10.06 Super Large General Service, 14.02 Real Time Pricing Rider and 14.03 Large General Service Rider.			

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Fergus Falls, Minnesota

SES-EXEMPTION DEFINITION: Paper mills, wood product manufacturers, sawmills, and oriented strand board manufacturers are not included in the rates charged to satisfy the Solar Energy Standard, per MN Statute 216B.1691, Subd. 2f (f) (2).

DETERMINATION OF DEMAND CHARGE (LARGE GENERAL SERVICE CLASS

ONLY): The Demand charge shall be based on the maximum kW Demand as adjusted for Excess Reactive Demand measured during any period of the month for which the bill is rendered. The Excess Reactive Demand shall be calculated based on the applicable rate schedule under which the Customer is taking service.

ADJUSTMENT FOR EXCESS REACTIVE DEMAND: For billing purposes, the Metered Demand may be increased by 1 kW for each whole 10 kVar of measured Reactive Demand in excess of 50% of the Metered Demand in kW.

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N
N

MANDATORY AND VOLUNTARY RIDERS: The amount of a bill for service will be modified by any Mandatory Rate Riders that must apply and by any Voluntary Rate Riders selected by the Customer, unless otherwise noted in this rider. See Sections 12.00, 13.00 and 14.00 of the Minnesota electric rates for the matrices of riders.

Customer notice

The Minnesota Public Utilities Commission approved adjustments to our Renewable Resource Cost Recovery Rider, which is part of the Resource Adjustment on your monthly electric service bill. This rider recovers costs associated with owning and operating renewable generation resources. Listed below are prior and new rates, beginning July 1, 2024, for all classes of customers.

Class	August 1, 2023, to June 30, 2024, rate	July 1, 2024, rate
Large General Service	\$0.920 per kW	\$0.371 per kW
Large General Service (SES-Exempt)	\$0.889 per kW	\$0.530 per kW
Large General Service	\$0.00474 per kWh	\$0.00239 per kWh
Large General Service (SES-Exempt)	\$0.00312 per kWh	\$0.00177 per kWh
All Other Service	\$0.00674 per kWh	\$0.00306 per kWh
All Other Service (SES-Exempt)	\$0.00803 per kWh	\$0.00463 per kWh

For more information, contact Customer Service at 800-257-4044 or visit otpc.com.

CERTIFICATE OF SERVICE

**RE: In the Matter of Otter Tail Power Company's Petition for Approval
of the Annual Update to its Renewable Resource Cost Recovery
Rider Rate, Rate Schedule 13.04
Docket No. E017/M-23-**

I, Stacy Wahlund, 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 this **4th** day of **December, 2023**.

/s/ Stacy Wahlund
Stacy Wahlund
Regulatory Filing Coordinator
Otter Tail Power Company
215 South Cascade Street
Fergus Falls MN 56537
(218) 739-8338

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	GEN_SL_Otter Tail Power Company_Otter Tail Power Company_2023 Renewable Resource Cost Recovery
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	No	GEN_SL_Otter Tail Power Company_Otter Tail Power Company_2023 Renewable Resource Cost Recovery
James C.	Erickson	jericksonkbc@gmail.com	Kelly Bay Consulting	17 Quechee St Superior, WI 54880-4421	Electronic Service	No	GEN_SL_Otter Tail Power Company_Otter Tail Power Company_2023 Renewable Resource Cost Recovery
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 280 Saint Paul, MN 551012198	Electronic Service	No	GEN_SL_Otter Tail Power Company_Otter Tail Power Company_2023 Renewable Resource Cost Recovery
Jessica	Fyhrie	jfyhrie@otpc.com	Otter Tail Power Company	PO Box 496 Fergus Falls, MN 56538-0496	Electronic Service	No	GEN_SL_Otter Tail Power Company_Otter Tail Power Company_2023 Renewable Resource Cost Recovery
Adam	Heinen	aheinen@dakotaelectric.com	Dakota Electric Association	4300 220th St W Farmington, MN 55024	Electronic Service	No	GEN_SL_Otter Tail Power Company_Otter Tail Power Company_2023 Renewable Resource Cost Recovery
Nick	Kaneski	nick.kaneski@enbridge.com	Enbridge Energy Company, Inc.	11 East Superior St Ste 125 Duluth, MN 55802	Electronic Service	No	GEN_SL_Otter Tail Power Company_Otter Tail Power Company_2023 Renewable Resource Cost Recovery
James D.	Larson	james.larson@avantenergy.com	Avant Energy Services	220 S 6th St Ste 1300 Minneapolis, MN 55402	Electronic Service	No	GEN_SL_Otter Tail Power Company_Otter Tail Power Company_2023 Renewable Resource Cost Recovery
Kavita	Maini	kmains@wi.rr.com	KM Energy Consulting, LLC	961 N Lost Woods Rd Oconomowoc, WI 53066	Electronic Service	No	GEN_SL_Otter Tail Power Company_Otter Tail Power Company_2023 Renewable Resource Cost Recovery
Andrew	Moratzka	andrew.moratzka@stoel.com	Stoel Rives LLP	33 South Sixth St Ste 4200 Minneapolis, MN 55402	Electronic Service	No	GEN_SL_Otter Tail Power Company_Otter Tail Power Company_2023 Renewable Resource Cost Recovery

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
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_2023 Renewable Resource Cost Recovery
Generic Notice	Regulatory	regulatory_filing_coordinators@otpc.com	Otter Tail Power Company	215 S. Cascade Street Fergus Falls, MN 56537	Electronic Service	No	GEN_SL_Otter Tail Power Company_Otter Tail Power Company_2023 Renewable Resource Cost Recovery
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_2023 Renewable Resource Cost Recovery
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_2023 Renewable Resource Cost Recovery
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_2023 Renewable Resource Cost Recovery
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_2023 Renewable Resource Cost Recovery