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September 30, 2015

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

**Re: In the Matter of the Petition of Otter Tail Power Company for Approval of a
Transmission Cost Recovery Rider Annual Adjustment
Docket No. E017/M-15-___**

Dear Mr. Wolf:

Otter Tail Power Company ("Otter Tail") hereby submits its Petition to the Minnesota Public Utilities Commission ("Commission") for approval of its Transmission Cost Recovery Rider Annual Rate Adjustment.

Otter Tail has electronically filed this document with the Commission which, in compliance with Minn. Rule 7829.1300, subp. 2, also constitutes service on the Department of Commerce, Division of Energy Resources and the Office of Attorney General-Antitrust & Utilities Division. A Summary of the filing has been served on all persons on Otter Tail's miscellaneous electric service list. A Certificate of Service is also enclosed.

If you have any questions regarding this filing, please contact me at 218-739-8385 or at bhaugen@otpc.com.

Sincerely,

/s/ BRYCE C. HAUGEN
Bryce C. Haugen, Rates Analyst
Regulatory Administration

nlo
Enclosures
By electronic filing
c: Service List

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

**In the Matter of the Petition of
Otter Tail Power Company for
Approval of a Transmission
Cost Recovery Rider Annual
Adjustment**

Docket No. E017/M-15-___

PETITION

Summary of Filing

Pursuant to Minn. Stat. §216B.16, subd. 7b and 216.1645, Otter Tail Power Company (“Otter Tail”) submits this Petition to the Minnesota Public Utilities Commission (“Commission”) for approval of Otter Tail’s Transmission Cost Recovery Rider Annual Update including the proposed Transmission Cost Recovery Factors.

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

**In the Matter of the Petition of
Otter Tail Power Company for
Approval of a Transmission
Cost Recovery Rider Annual
Adjustment**

Docket No. E017/M-15-___

PETITION

I. INTRODUCTION

Otter Tail Power Company (“Otter Tail” or “Company”) hereby petitions the Minnesota Public Utilities Commission (“Commission”) for an Order approving the 2015 annual adjustment to its Transmission Cost Recovery Rider (“TCRR”). The Petition is filed pursuant to Otter Tail’s approved TCRR rate schedule, which was originally approved by the Commission on January 28, 2010 in Docket E-017/M-09-881. This is the fourth update requested for the TCRR and includes updates for projects that have been previously approved for recovery in the TCRR and is in compliance with the Commission’s Orders from prior TCRR updates in Docket Nos. E017/M-10-1061 (“10-1061”), E017/M-13-103 (“13-103”), and E017/M-14-375 (“14-375”). In compliance with Order 14-375, this petition also includes the addition of Multi-Value Project Auction Revenue Rights Credits received from the Midcontinent Independent System Operator (“MISO”).

II. SUMMARY OF FILING

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

III. GENERAL FILING INFORMATION

Pursuant to Minn. Rule 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))**

Bruce Gerhardson
Associate General Counsel
Otter Tail Power Company
215 South Cascade Street
Fergus Falls, Minnesota 56538-0496
(218) 739-8475
bgerhardson@otpc.com

**C. Date of filing and proposed effective date of rates
(Minn. Rules 7829.1300, subp. 3(C))**

The date of this filing is September 30, 2015. Otter Tail proposes the TCRR rates become effective April 1, 2016, 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 proposed annual adjustment to Otter Tail's TCRR filing falls under definition of a "miscellaneous tariff filing" under Minn. Rules 7829.0100, subp. 11, with Minn. Rules 7829.1400 allowing initial comments within 30 days of filing and replies no more than 10 days thereafter.

**E. Title of utility employee responsible for filing
(Minn. Rules 7829.1300, subp. 3(E))**

Bryce C. Haugen
Rates Analyst, Regulatory Administration
Otter Tail Power Company
215 South Cascade Street
Fergus Falls, Minnesota 56538-0496
(218) 739-8385
bhaugen@otpc.com

**F. Impact on rates
(Minn. Rules 7829.1300, subp 4(F))**

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

G. Service list

Pursuant to Minn. Rule 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:

Bryce C. Haugen
Rates Analyst, Regulatory Administration
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215 South Cascade Street
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(218) 739-8385
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Bruce Gerhardson
Associate General Counsel
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(218) 739-8475
bgerhardson@otpc.com

H. Service on other parties

Pursuant to Minn. Rule 7829.1300, subp. 2, Otter Tail has served a copy of this Petition on the Office of Energy Security of the Department of Commerce and the Antitrust & 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. TRANSMISSION COST RECOVERY RIDER

A. Background

Minn. Stat. §216B.16, subd. 7b(a), allows the Commission to approve a tariff mechanism, which provides for the automatic annual adjustment of charges that recover the Minnesota jurisdictional costs of new transmission facilities. Minn. Stat. §216B.1645 states that the Commission may approve a rate schedule that provides for the automatic adjustment of charges to recover prudently incurred investments, expenses, or costs associated with facilities constructed to satisfy the renewable energy objectives and standards set forth in Minn. Stat. §216B.1691, including those made to transmit the electricity generated from renewable generating facilities to Minnesota retail customers. The information provided in this Petition is submitted in accordance with the statutes noted above.

The Commission's Order originally approving Otter Tail's TCRR was issued January 28, 2010 in Docket No. E017/M-09-881 and the first update to the TCRR was approved in an Order issued on March 26, 2012 in Docket 10-1061. Following that Order, Otter Tail implemented updated rates beginning April 1, 2012. The second update to the TCRR was filed on February 7, 2013 in Docket 13-103, and the Commission issued its Order in that Docket on March 10, 2014 and accepted Otter Tail's compliance filing that requested no update to rates until the approval of the next Petition. The third update to the TCRR was filed on May 1, 2014 in Docket 14-375, and the Commission issued its Order in that Docket on February 18, 2015. Following that Order, Otter Tail implemented updated rates beginning March 1, 2015.

In this Petition, Otter Tail is seeking to implement new rates based on updated investment, expense and revenue collections that have occurred in the TCRR since the last update and as accounted for in accordance with the framework that has been Ordered by the Commission in Otter Tail's prior TCRR Dockets.

As noted earlier, the proposed rates in this Petition reflect changes to the existing projects, expenses and revenues currently approved for inclusion within Otter Tail's TCRR as well as one new revenue stream from MISO in compliance with Order 14-375. No new projects are being requested for addition to the TCRR in this Petition. The TCRR framework incorporates all prior Commission Orders.

B. Projects previously approved for recovery in Otter Tail's TCRR

Five projects that were previously approved for inclusion in Otter Tail's TCRR are included in this update.

- 1) Fargo-Monticello CAPX2020 Transmission Project
- 2) Bemidji-Grand Rapids CAPX2020 Transmission Project
- 3) Cass Lake-Bemidji CAPX2020 Transmission Project (Part of Bemidji Project)
- 4) Brookings-Hampton CAPX2020 Transmission Project
- 5) Ramsey 230/115 kW Transformer

The retail allocation of costs and revenues for all the projects listed above is reflected in Attachments 5 through 9 to this filing. As noted in Docket 13-103, the Cass Lake-Bemidji project is part of the Bemidji-Grand Rapids CAPX2020 and is in a separate attachment in order to more closely resemble MISO Attachment GG project breakdowns.

C. Projects not previously included in Otter Tail's TCRR

There are no new projects being added to the TCRR in this Petition.

D. Revenue requirement and rate impact

Attachment 2 is a summary of the proposed \$7,751,522 TCRR revenue requirement that has been calculated for the recovery period of April 1, 2016 to March 31, 2017. This revenue requirement includes an under-recovery true-up of \$127,354 based on updated available actual information through August 31, 2015, and projected investment, expense, and recovery information from September 2015 through March 2016. The revenue requirement for the April 2016 to March 2017 recovery period is \$7,624,168 as noted on Attachment 4, page 2 of 2, line 20.

Otter Tail proposes that the TCRR continue to be applicable to electric service under all of Otter Tail’s retail rate schedules. The charge will be included as part of the Resource Adjustment on customers’ bills. The proposed rates under the existing rate design are as follows:

| <u>Class</u> | <u>¢ / kWh</u> | <u>\$ / kW</u> |
|-----------------------|----------------|----------------|
| Large General Service | N/A | \$1.444 |
| Controlled Service | 0.072¢ | N/A |
| Lighting | 0.319¢ | N/A |
| All other service | 0.464¢ | N/A |

The following table shows the estimated monthly rate impact, (in this case, a rate reduction) by retail customer class.

| Rate Impact | | | | | | |
|-----------------------|-----------|----------------|--------------|---------------|----------------|-------------|
| | Customers | Average kW/kWh | Current Rate | Proposed Rate | Change in Rate | Bill Impact |
| Large General Service | 529 | 352 | \$2.058 | \$1.444 | (\$0.61) | (\$214.72) |
| Controlled Service | 16,797 | 928 | 0.122 ¢ | 0.072 ¢ | (0.050) ¢ | (\$0.46) |
| Lighting | 2,638 | 635 | 0.420 ¢ | 0.319 ¢ | (0.102) ¢ | (\$0.64) |
| All Other Service | 59,005 | 1,206 | 0.643 ¢ | 0.464 ¢ | (0.179) ¢ | (\$2.16) |

The above rates are based on the assumption that they will be in effect from April 1, 2016 to March 31, 2017. Keeping the existing rates in effect until March 31, 2016 allows Otter Tail to more closely achieve the objective of reducing the overall TCRR balance closer to zero and minimizing the current recovery period true-up amount to be rolled into the next recovery period proposed in this filing.

E. Cost recovery methodology

Attachments 1-4 of this Petition are, respectively, the Revenue, Revenue Requirements Summary, Rate Design, and Tracker Summary calculations used for Otter Tail’s proposed TCRR rate update.

Attachments 5-9 provide the revenue requirement calculations for each of the transmission projects identified in this filing. These calculations have been made in compliance with all of the Commission’s previous Orders regarding Otter Tail’s TCRR.

Further detail of key elements of the revenue requirement calculations are included below:

- 1) *Carrying Charge*. Per the Order in Docket 13-103, the carrying charge has been eliminated from the revenue requirement calculation as reflected in Attachment 4 line 25.

- 2) *Rate base section.* This section provides details on the amount of plant in service, accumulated depreciation, construction work in progress (“CWIP”) (if applicable), accumulated deferred taxes, and a 13-month average rate base calculation for the projects included in the TCRR. Otter Tail has removed actual and forecasted internal costs in the TCRR as Ordered by the Commission in 13-103.
- 3) *Expense section.* The expenses applicable to a project are listed here and include operating costs, property taxes, depreciation, and income taxes.
- 4) *Revenue requirements section.* This section shows the components of the revenue requirements, including expenses and return on investment and any credits to the revenue requirement for monies received for use of the lines by wholesale customers.
- 5) *Return on investment (cost of capital).* The cost of capital is as determined in Otter Tail’s most recent general rate case (Docket No. E017/GR-10-239).
- 6) *Depreciation expense.* Depreciation expense is calculated using the Company’s current depreciation rates.
- 7) *Property taxes.* The property tax calculation is based on Otter Tail’s composite tax rate for the jurisdiction in which the transmission facilities are located, and is calculated in accordance with the procedures specified by that state.
- 8) *Operation and Maintenance expense.* Annual operation and maintenance (“O&M”) expenses for the transmission lines typically include costs related to line patrol and inspections, vegetation management, small repair items, storm restoration, and supervision of this work. Other O&M costs are dependent on the severity of storms and resulting damage, tree growth, items found on line patrols, the cost of NERC reporting requirements, and supervision. Otter Tail has set up transmission O&M accounting projects to track O&M costs specifically related to each line included in the TCRR. These O&M costs do not include internal labor costs as they were disallowed for current TCRR recovery in the Order issued by the Commission in 13-103.
- 9) *MISO Schedule 26 and 26A expenses.* Schedule 26 and Schedule 26A costs for the recovery period appear on lines 9 and 10 of the Tracker Account (Attachment 4), and are shown separately in Attachment 11. These expenses reflect Otter Tail’s costs for Otter Tail’s TCRR eligible projects and other utilities’ projects that qualify for regional cost allocation through MISO’s Tariff.
- 10) *MISO Schedule 26 and 26A revenues.* Schedule 26 and 26A revenues for the recovery period appear on lines 14 and 16 of the Tracker Account Summary (Attachment 4) and are shown separately on Attachments 12 (Schedule 26) and Attachment 13 (Schedule 26A). These revenues reflect Otter Tail’s share of the revenues derived for Otter Tail’s investments in projects included in Otter Tail’s TCRR that qualify for regional cost allocation through MISO’s Tariff including revenues associated with project expenses disallowed for recovery in the TCRR per the Commission’s Order in Docket 13-103.

- 11) *MISO Schedules 37 and 38 revenues.* Included in this TCRR rate update calculation are two revenue credits that reflect revenues received from MISO pursuant to Schedules 37 and 38 of the MISO tariff. The Schedule 37 revenues represent Otter Tail's allocation from MISO of contributions MISO required from American Transmission Systems Inc. ("ATSI") for transmission investments of MISO transmission owners. ATSI withdrew from MISO on June 1, 2011, to integrate with PJM. The Schedule 38 revenues represent Otter Tail's allocation of payments from Duke-Ohio ("DEO") and Duke-Kentucky ("DEK") that departed MISO on December 31, 2011. ATSI, DEO, and DEK have an ongoing obligation to pay for MISO projects due to their prior MISO membership.

The MISO periodically publishes forecasted Schedule 26 and 26A revenues. Embedded in those forecasts provided by MISO, are the Schedule 37 and Schedule 38 revenue credits. In compliance with the Commission's Order in Docket 13-103, Otter Tail has carved out a portion of the MISO Schedule 26 forecast revenue and identified that revenue as Schedule 37 or Schedule 38 Revenue. In Attachment 12, page 1 of 2, line 1 of this filing, shows total actual Schedule 26 revenues through August 2015. Lines 13 and 14 reflect actual Schedule 37 and 38 revenues received by Otter Tail through August 2015. Beginning September 2015, line 1 shows the total MISO forecast for Schedule 26 revenues. Embedded in these MISO forecasts are estimated revenues for ATSI and DEO. Line 2 reflects a revised Schedule 26 Revenue forecast, carving out an estimated amount of revenue associated with ATSI and DEO, and reflecting that forecast revenue on lines 13 and 14 in the corresponding Schedule 37 and Schedule 38 section. The totals of lines 2, 13, and 14 equal the total MISO forecast reflected on Line 1. Detailed descriptions of the MISO 26 and 26A schedules can be found at:

<https://www.midwestiso.org/Library/Tariff/Pages/Tariff.aspx>

- 12) *Wholesale Revenue Credit:* Attachment 10, page 1 of 1 shows the calculation of the wholesale revenue credit percentages from Attachment O data for the respective calendar years. Most of these revenue credits are attributable to the wholesale use of existing transmission system assets included in base rates. The Ramsey project is the only project in the TCRR to which this credit is applicable. A credit (calculated at the applicable annual wholesale percentage times the project's revenue requirement) is included as a reduction in the revenue requirement calculation. The wholesale revenue credit is shown on Attachment 9 line 35.
- 13) *MISO Multi-Value Project Auction Revenue Rights.* A new revenue stream from MISO attributable to Multi-Value Project Auction Revenue Rights ("MVP ARR") has been included as a credit in this year's TCRR. The MVP ARR credit is derived from the increased transmission capacity attributable to MVP projects placed in service within the MISO footprint. The value of these MVP ARR is determined during MISO's annual Financial Transmission Rights auction process.

The revenues are being distributed monthly to Asset Owners who pay for the MVP projects through MISO settlements, allocated in a manner similar to the allocation of Schedule 26A expenses. The revenue is identified in Attachment 14, and is included in the TCRR based on Minnesota’s jurisdictional share. As stated earlier, this revenue is reflected as a credit in the rider (Attachment 2, line 13, and Attachment 4, line 17) in compliance with Order 14-375 which in part states:

Approved Otter Tail Power’s request to include as a true-up item in its 2015 rider petition its actual amount of Auction Revenue Rights (ARRs) that it receives for its multi-value projects (MVPs), with the understanding that Otter Tail Power will incorporate estimates of all MVP ARRs in future transmission cost recovery (TCR) riders beginning with its 2015 TCR rider.

MISO began distributing MVP ARR revenues in June 2014. Otter Tail has used the first year of actual MVP ARR revenues, which are included as part of this update, to project future distributions from MISO of \$5,500 per month [Total System]. These are the best estimates available at this time and as with all other revenues and expenses, Otter Tail will true up these amounts to actuals in the next annual TCRR update.

F. Allocations and rate design

The allocations and rate design for this annual rider update are the same as approved in the last update to Otter Tail’s TCRR. Specifically, the class allocations use the transmission demand allocation factor, D2, from Otter Tail’s most recent Minnesota general rate case (Docket No. E017/GR-10-239) to allocate total revenue requirements to jurisdictions (Minnesota, 47.89%) and rate classes. The rate design uses a demand-only billing rate for the Large General Service Class (“LGS”) and an energy-only billing rate (¢/kWh) for all other customers. The rate design detail is included in Attachment 3.

In the Commission’s Order issued March 26, 2012, the Commission requested an analysis of the impact of a “percentage of revenue” rate design among and within its customer classes. The analysis of a percent of revenue rate design and a comparison to the current rate design for an average month is included on Attachment 3.

G. Transmission Cost Recovery Rider rate schedule

A redline and clean copy of Otter Tail’s proposed TCRR Rate Schedule is included in Attachment 15 to this Petition.

H. Revisions to other rate schedules

There are no changes to any other rate schedules.

I. Notice to customers

Attachment 16 is a proposed notice to customers that will be included with customer bills in the month that the new TCRR rates are implemented.

V. **CONCLUSION**

Otter Tail respectfully requests that the Commission approve the TCRR annual rate adjustment mechanism including the 2015 Transmission Factor as set forth in this Petition.

Dated: September 30, 2015

Respectfully Submitted,

OTTER TAIL POWER COMPANY

By: /s/ BRYCE C. HAUGEN

Bryce C. Haugen

Rates Analyst, Regulatory Administration

Otter Tail Power Company

215 S. Cascade Street

Fergus Falls, MN 56537

(218) 739-8385

bhaugen@otpc.com

OTTER TAIL POWER COMPANY
TRANSMISSION COST RECOVERY RIDER FILING ATTACHMENTS

| | |
|---------------|--|
| Attachment 1 | Projection of Revenue |
| Attachment 2 | Summary of Revenue Requirements |
| Attachment 3 | Class Allocation and Rate Design |
| Attachment 4 | Transmission Tracker Account |
| Attachment 5 | CAPX 2020 Fargo-Monticello |
| Attachment 6 | CAPX 2020 Bemidji-Grand Rapids |
| Attachment 7 | CAPX 2020 Cass Lake-Bemidji |
| Attachment 8 | CAPX 2020 Brookings, SD-Hampton, MN |
| Attachment 9 | Ramsey 230/115 kW Transformer Upgrade |
| Attachment 10 | Wholesale Credit Calculation |
| Attachment 11 | MISO Schedule 26 and Schedule 26A Expenses |
| Attachment 12 | MISO Schedule 26, 37, and 38 Revenues |
| Attachment 13 | MISO Schedule 26A Revenues |
| Attachment 14 | MISO ARR Revenues |
| Attachment 15 | Transmission Rider (redline and clean) |
| Attachment 16 | Notice to Customers |

Projected Revenue for April 2016 to March 2017 Recovery Period

| Line No. | Class | | Units | Rate per Unit | Amount |
|----------|-----------------------|-----|-----------------|---------------|--------------------|
| 1 | Large General Service | (a) | 2,455,567 kW | \$1.444 | \$3,545,669 |
| 2 | | | | | |
| 3 | Controlled Service | (b) | 190,296,491 kWh | 0.072¢ | \$137,948 |
| 4 | | | | | |
| 5 | Lighting | (c) | 19,584,210 kWh | 0.319¢ | \$62,419 |
| 6 | | | | | |
| 7 | All other service | | 863,707,737 kWh | 0.464¢ | \$4,005,486 |
| 8 | | | | | |
| 9 | Total revenue | | | | <u>\$7,751,522</u> |

- (a) Rate Schedules 10.03 Large General Service and 10.05 Large General Service - Time of Day
- (b) Rate Schedules 14.01 Water Heating, 14.04 Interruptible Load (CT Metering), 14.05 Interruptible Load (Self-Contained Metering), 14.06 Deferred Load
- (c) Rate Schedules 11.03 Outdoor Lighting (energy only), 11.04 Outdoor Lighting

Summary of Revenue Requirements

2015 Annual Filing

| Line No. | Revenue Requirements | April 2016 - March 2017 |
|----------|---------------------------------------|-------------------------|
| 1 | CAPX 2020 Fargo | \$5,449,948 |
| 2 | CAPX 2020 Bemidji | \$371,998 |
| 3 | CAPX 2020 Cass Lake - Bemidji | \$296,618 |
| 4 | CAPX 2020 Brookings | \$1,793,997 |
| 5 | Ramsey 230/115 kW Transformer Upgrade | \$16,186 |
| 6 | | |
| 7 | Schedule 26 Expense | 6,616,752 |
| 8 | Schedule 26A Expense | 2,535,817 |
| 9 | | |
| 10 | Schedule 26 Revenue | (6,900,666) |
| 11 | Schedule 37 & 38 Revenue | (204,016) |
| 12 | Schedule 26A Revenue | (2,320,858) |
| 13 | MVP ARR Revenue | (31,607) |
| 14 | | |
| 15 | True-Up | 127,354 |
| 16 | | |
| 17 | Total | <u>\$7,751,522</u> |

Class Allocation and Current Rate Design

| Line No. | | April 1, 2016 - March 31, 2017 |
|----------|--------------------------------------|--------------------------------|
| 1 | Total Minnesota Revenue Requirements | \$7,751,522 |
| 2 | Large General Service | 45.74% \$3,545,669 |
| 3 | Controlled Service | 1.78% 137,948 |
| 4 | Lighting | 0.81% 62,419 |
| 5 | All Other Service | 51.67% 4,005,486 |
| 6 | Total | \$7,751,522 |
| 7 | Large General Service | kW 2,455,567 |
| 8 | Controlled Service | kWh 190,296,491 |
| 9 | Lighting | kWh 19,584,210 |
| 10 | All Other Service | kWh 863,707,737 |
| 11 | Large General Service | \$ / kW 1.444 |
| 12 | Controlled Service | cents / kWh 0.072 |
| 13 | Lighting | cents / kWh 0.319 |
| 14 | All Other Service | cents / kWh 0.464 |

* Jurisdictional transmission allocation factor (D2 = 47.89%) is from Otter Tail's last general rate case in Minnesota.

| Percent of Revenue Rate Design per Order Item 6 in Docket No. E017/M-10-1061 | | | | | | | |
|---|--|----------------|--|--|------------------|-------------------|--|
| 15 | Forecasted Minnesota Retail Revenues (April 2016 - March 2017) | \$ | 172,070,762 | | | | |
| 16 | Revenue Requirement | | \$7,751,522 | | | | |
| 17 | Percent of revenue rate for MN TCR | | 4.505% | | | | |
| | A | B | C | D | E | F | G |
| | Forecast Base Revenue April 2016 - March 2017 | # of Customers | Average Base Revenue per Customer per Month (Column A / Column B / 12) | Average TCR Revenue per Customer Per Month from % Base Revenue (1) | Avg kW per month | Avg kWh per month | Average TCR Revenue per Customer Per Month per Current Rate Design (2) |
| 18 | Large General Service | \$86,218,453 | 529 | \$13,575 | \$611.55 | 352 | \$508.26 |
| 19 | Controlled Service | \$9,192,238 | 16,797 | \$46 | \$2.05 | 928 | \$0.67 |
| 20 | Lighting | \$2,624,284 | 2,638 | \$83 | \$3.73 | 635 | \$2.02 |
| 21 | All Other Service | \$74,035,787 | 59,005 | \$105 | \$4.71 | 1,206 | \$5.59 |
| 22 | Total | \$172,070,762 | | | | | |
| (1) Percent of Revenue Rate of 4.505% X Average Monthly Customer Bill in Column C (2) Corresponding Proposed rate from Current Rate Design X average kW (Column E) or average kWh (Column F) | | | | | | | |

| Line No. | TRACKER SUMMARY Requirements Compared to Billed: | 2015 | 2015 | 2015 | 2015 | 2015 | 2015 | 2015 | 2015 | 2015 | 2015 | 2015 | 2016 | 2016 | 2016 |
|----------|--|--------------|--------------|------------|-------------|-------------|---------------|---------------------|-------------------|--------------------|--------------------|--------------|-------------------|--------------------|-----------------|
| | | March Actual | April Actual | May Actual | June Actual | July Actual | August Actual | September Projected | October Projected | November Projected | December Projected | YE Projected | January Projected | February Projected | March Projected |
| 1 | Revenue Requirements | | | | | | | | | | | | | | |
| 1 | CAPX 2020 Fargo | 435,660 | 430,152 | 458,595 | 459,066 | 458,843 | 458,784 | 471,098 | 459,071 | 459,337 | 471,473 | 5,422,388 | 453,780 | 453,780 | 466,830 |
| 2 | CAPX 2020 Bemidji | 31,167 | 28,814 | 28,814 | 28,814 | 28,814 | 28,814 | 37,794 | 28,814 | 28,814 | 37,794 | 376,218 | 28,176 | 28,176 | 37,155 |
| 3 | CAPX 2020 Cass Lake - Bemidji | 25,879 | 25,870 | 25,870 | 25,870 | 25,870 | 25,870 | 25,870 | 25,870 | 25,870 | 25,870 | 310,472 | 25,115 | 25,115 | 25,115 |
| 4 | CAPX 2020 Brookings | 143,616 | 146,766 | 146,905 | 147,010 | 147,130 | 147,245 | 156,625 | 147,295 | 147,380 | 156,757 | 1,767,705 | 147,506 | 147,509 | 157,329 |
| 5 | Ramsey 230/115 kW Transformer Upgrade | 1,687 | 1,687 | 1,687 | 1,687 | 1,687 | 1,687 | 1,687 | 1,687 | 1,687 | 1,687 | 20,239 | 1,366 | 1,366 | 1,366 |
| 6 | Total Revenue Requirements | 638,010 | 633,290 | 661,872 | 662,447 | 662,344 | 662,400 | 693,075 | 662,737 | 663,088 | 693,581 | 7,897,022 | 655,944 | 655,946 | 687,796 |
| 7 | | | | | | | | | | | | | | | |
| 8 | MISO Expenses | | | | | | | | | | | | | | |
| 9 | MISO Schedule 26 Expense | 524,367 | 571,578 | 414,396 | 407,903 | 426,644 | 463,738 | 502,776 | 502,776 | 502,776 | 502,776 | 5,987,026 | 656,273 | 648,778 | 628,917 |
| 10 | MISO Schedule 26A Expense | 144,179 | 136,018 | 112,083 | 104,298 | 103,344 | 116,618 | 96,451 | 100,899 | 115,056 | 129,198 | 1,406,009 | 235,214 | 212,850 | 206,890 |
| 11 | Total MISO Expenses | 668,546 | 707,595 | 526,479 | 512,201 | 529,988 | 580,356 | 599,227 | 603,674 | 617,831 | 631,974 | 7,393,035 | 891,487 | 861,627 | 835,807 |
| 12 | | | | | | | | | | | | | | | |
| 13 | MISO Revenues | | | | | | | | | | | | | | |
| 14 | MISO Schedule 26 Revenue | (505,902) | (530,038) | (450,649) | (526,555) | (570,905) | (664,480) | (456,712) | (442,027) | (471,291) | (410,543) | (6,103,596) | (642,256) | (586,863) | (559,132) |
| 15 | MISO Schedule 37 & 38 Revenue | (16,405) | (16,405) | (16,405) | (16,405) | (16,294) | (16,294) | (12,328) | (11,969) | (13,024) | (11,167) | (178,741) | (18,580) | (17,350) | (16,531) |
| 16 | MISO Schedule 26A Revenue | (139,381) | (139,061) | (119,486) | (127,857) | (140,963) | (142,106) | (113,573) | (131,938) | (122,976) | (165,655) | (1,596,453) | (334,270) | (163,960) | (156,617) |
| 17 | MISO MVP ARR Revenue | (4,351) | (3,315) | (3,081) | (2,720) | (1,681) | (1,789) | (2,634) | (2,634) | (2,634) | (2,634) | (36,389) | (2,634) | (2,634) | (2,634) |
| 18 | Total MISO Revenues | (666,039) | (688,818) | (589,621) | (673,537) | (729,843) | (824,669) | (585,246) | (588,568) | (609,925) | (589,999) | (7,915,180) | (997,740) | (770,807) | (734,914) |
| 19 | | | | | | | | | | | | | | | |
| 20 | Net Revenue Requirement | 640,517 | 652,067 | 598,731 | 501,112 | 462,489 | 418,087 | 707,055 | 677,843 | 670,995 | 735,555 | 7,374,877 | 549,691 | 746,767 | 788,689 |
| 21 | | | | | | | | | | | | | | | |
| 22 | Billed (forecast kWh x adj factor) | 987,460 | 876,902 | 780,938 | 804,479 | 856,540 | 983,049 | 877,606 | 840,447 | 929,808 | 1,009,440 | 9,343,199 | 1,138,256 | 1,112,204 | 1,046,574 |
| 23 | | | | | | | | | | | | | | | |
| 24 | Monthly Revenue Difference | (346,943) | (224,836) | (182,207) | (303,367) | (394,051) | (564,962) | (170,551) | (162,604) | (258,813) | (273,885) | (1,968,322) | (588,565) | (365,437) | (257,885) |
| 25 | Carrying Charge | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 26 | Life-to-Date Revenue Requirement (Cumulative Difference) | 3,874,518 | 3,649,682 | 3,467,474 | 3,164,107 | 2,770,057 | 2,205,094 | 2,034,543 | 1,871,940 | 1,613,126 | 1,339,242 | (1,968,322) | 750,677 | 385,240 | 127,354 |
| 27 | | | | | | | | | | | | | | | |
| 28 | Forecasted Sales (MWh) | | | | | | | 198,798 | 190,380 | 210,623 | 228,661 | 828,462 | 257,841 | 251,939 | 237,073 |

Approved February 18, 2015;
 Rate Effective March 1, 2015

| SUMMARY | Mar 2015 - |
|--|-------------|
| | Dec 2015 |
| Revenue requirements | \$4,459,572 |
| Carrying Charge (Ended 2/1/14 per Order) | |
| 2013-2014 True-up | 3,928,255 |
| Total requirements | \$8,387,827 |
| Mar 2015 - Dec 2015 projected sales in mWh | 1,900,033 |
| Average Rate | \$0.00441 |

| Line No. | TRACKER SUMMARY Requirements Compared to Billed: | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2017 | 2017 | 2017 | Recovery Period Ending |
|----------|--|------------------|------------------|------------------|------------------|------------------|---------------------|-------------------|--------------------|--------------------|--------------------|-------------------|--------------------|------------------|------------------------|
| | | April Projected | May Projected | June Projected | July Projected | August Projected | September Projected | October Projected | November Projected | December Projected | YE Projected | January Projected | February Projected | March Projected | |
| 1 | Revenue Requirements | | | | | | | | | | | | | | |
| 1 | CAPX 2020 Fargo | 453,780 | 453,780 | 466,830 | 453,780 | 453,780 | 466,830 | 453,780 | 466,830 | 5,497,564 | 437,908 | 437,908 | 450,958 | 5,449,948 | |
| 2 | CAPX 2020 Bemidji | 28,176 | 28,176 | 37,155 | 28,176 | 28,176 | 37,155 | 28,176 | 37,155 | 374,029 | 27,499 | 27,499 | 36,478 | 371,998 | |
| 3 | CAPX 2020 Cass Lake - Bemidji | 24,874 | 24,874 | 24,874 | 24,874 | 24,874 | 24,874 | 24,874 | 24,874 | 299,212 | 24,250 | 24,250 | 24,250 | 296,618 | |
| 4 | CAPX 2020 Brookings | 147,514 | 147,527 | 157,354 | 147,549 | 147,559 | 157,387 | 147,579 | 147,570 | 1,809,764 | 142,056 | 142,054 | 152,468 | 1,793,997 | |
| 5 | Ramsey 230/115 kW Transformer Upgrade | 1,366 | 1,366 | 1,366 | 1,366 | 1,366 | 1,366 | 1,366 | 1,366 | 16,397 | 1,296 | 1,296 | 1,296 | 16,186 | |
| 6 | Total Revenue Requirements | 655,711 | 655,724 | 687,581 | 655,746 | 655,756 | 687,613 | 655,776 | 655,767 | 687,605 | 7,996,967 | 633,009 | 633,007 | 665,450 | 7,928,747 |
| 7 | | | | | | | | | | | | | | | |
| 8 | MISO Expenses | | | | | | | | | | | | | | |
| 9 | MISO Schedule 26 Expense | 529,615 | 456,793 | 443,552 | 516,374 | 483,273 | 450,172 | 542,855 | 595,816 | 628,917 | 6,581,336 | 672,145 | 658,702 | 638,538 | 6,616,752 |
| 10 | MISO Schedule 26A Expense | 177,327 | 164,079 | 159,647 | 172,259 | 173,787 | 166,357 | 174,884 | 196,824 | 222,100 | 2,262,218 | 333,423 | 303,543 | 291,587 | 2,535,817 |
| 11 | Total MISO Expenses | 706,941 | 620,872 | 603,199 | 688,634 | 657,060 | 616,529 | 717,739 | 792,641 | 851,017 | 8,843,554 | 1,005,568 | 962,245 | 930,124 | 9,152,569 |
| 12 | | | | | | | | | | | | | | | |
| 13 | MISO Revenues | | | | | | | | | | | | | | |
| 14 | MISO Schedule 26 Revenue | (462,077) | (538,335) | (635,390) | (663,121) | (663,121) | (642,323) | (503,672) | (559,132) | (531,402) | (6,986,823) | (567,365) | (567,365) | (567,365) | (6,900,666) |
| 15 | MISO Schedule 37 & 38 Revenue | (13,661) | (15,916) | (18,785) | (19,605) | (19,605) | (18,990) | (14,891) | (16,531) | (15,711) | (206,156) | (16,774) | (16,774) | (16,774) | (204,016) |
| 16 | MISO Schedule 26A Revenue | (130,916) | (151,110) | (176,810) | (184,153) | (184,153) | (178,646) | (141,931) | (156,617) | (149,274) | (2,108,459) | (289,082) | (289,082) | (289,082) | (2,320,858) |
| 17 | MISO MVP ARR Revenue | (2,634) | (2,634) | (2,634) | (2,634) | (2,634) | (2,634) | (2,634) | (2,634) | (2,634) | (31,607) | (2,634) | (2,634) | (2,634) | (31,607) |
| 18 | Total MISO Revenues | (609,288) | (707,994) | (833,620) | (869,513) | (869,513) | (842,593) | (663,128) | (734,914) | (699,021) | (9,333,045) | (875,855) | (875,855) | (875,855) | (9,457,148) |
| 19 | | | | | | | | | | | | | | | |
| 20 | Net Revenue Requirement | 753,364 | 568,601 | 457,160 | 474,867 | 443,304 | 461,549 | 710,388 | 713,494 | 839,602 | 7,507,476 | 762,722 | 719,397 | 719,720 | 7,624,168 |
| 21 | | | | | | | | | | | | | | | |
| 22 | Billed (forecast kWh x adj factor) | 650,050 | 586,634 | 579,659 | 618,127 | 630,444 | 613,092 | 590,076 | 637,138 | 699,438 | 8,901,693 | 738,437 | 734,003 | 674,423 | 7,751,522 |
| 23 | | | | | | | | | | | | | | | |
| 24 | Monthly Revenue Difference | 103,314 | (18,033) | (122,499) | (143,260) | (187,141) | (151,543) | 120,311 | 76,356 | 140,164 | | 24,285 | (14,606) | 45,297 | 45,297 |
| 25 | Carrying Charge | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 | 0 | 0 | 0 |
| 26 | Life-to-Date Revenue Requirement (Cumulative Difference) | 230,668 | 212,635 | 90,137 | (53,123) | (240,264) | (391,807) | (271,495) | (195,139) | (54,976) | 0 | (30,691) | (45,297) | 0 | 0 |
| 27 | | | | | | | | | | | | | | | |
| 33 | Forecasted Sales (MWh) | 221,110 | 199,539 | 197,166 | 210,251 | 214,441 | 208,538 | 200,710 | 216,718 | 237,908 | 2,653,234 | 251,174 | 249,665 | 229,400 | 2,636,619 |

| SUMMARY | | April 2016 - March 2017 |
|--|--|------------------------------------|
| Revenue requirements | | \$7,624,168 |
| Carrying Charge (Ended 2/1/14 per Order) | | |
| 2015 True-up | | 127,354 |
| Total requirements | | \$7,751,522 |
| April 2016 - March 2017 projected sales | | 2,636,619 |
| Average Rate | | \$0.00294 |

| Line No. | 2015 Actual March | 2015 Actual April | 2015 Actual May | 2015 Actual June | 2015 Actual July | 2015 Actual August | 2015 Projected September | 2015 Projected October | 2015 Projected November | 2015 Projected December | 2015 Projected Total | 2016 Projected January | 2016 Projected February | 2016 Projected March | |
|------------------|--|-------------------|-----------------|------------------|------------------|--------------------|--------------------------|------------------------|-------------------------|-------------------------|----------------------|------------------------|-------------------------|----------------------|--|
| RATE BASE | | | | | | | | | | | | | | | |
| 1 | Plant Balance | 38,119,492 | 78,866,999 | 79,540,874 | 79,221,598 | 79,136,726 | 79,627,276 | 79,548,272 | 79,929,472 | 80,164,370 | 80,164,370 | 80,164,370 | 80,164,370 | 80,164,370 | |
| 2 | Accumulated Depreciation | (1,077,255) | (1,132,848) | (1,247,834) | (1,363,802) | (1,479,305) | (1,594,685) | (1,710,779) | (1,826,758) | (1,943,293) | (2,060,170) | (2,060,170) | (2,177,047) | (2,241,801) | |
| 3 | Net Plant in Service | 37,042,237 | 77,734,151 | 78,293,040 | 77,857,796 | 77,657,420 | 78,032,591 | 77,837,493 | 78,102,714 | 78,221,078 | 78,104,201 | 78,104,201 | 77,987,324 | 77,912,569 | |
| 4 | CWIP | 40,026,939 | (0) | (0) | (0) | (0) | (0) | (0) | (0) | (0) | (0) | (0) | (0) | (0) | |
| 5 | Accumulated Deferred Income Taxes Federal & S | (8,504,025) | (8,655,712) | (8,782,828) | (8,909,538) | (9,036,440) | (9,163,393) | (9,290,051) | (9,416,756) | (9,543,231) | (9,669,565) | (9,669,565) | (9,832,451) | (9,995,337) | |
| 6 | Ending rate base | 68,565,151 | 69,078,438 | 69,510,211 | 68,948,258 | 68,620,980 | 68,869,198 | 68,547,442 | 68,685,958 | 68,677,846 | 68,434,636 | 68,434,636 | 68,154,872 | 67,917,232 | |
| 7 | | | | | | | | | | | | | | | |
| 8 | Average rate base | 5,710,592 | 5,710,592 | 5,710,592 | 5,710,592 | 5,710,592 | 5,710,592 | 5,710,592 | 5,710,592 | 5,710,592 | 5,710,592 | 5,710,592 | 5,563,005 | 5,563,005 | |
| 9 | | | | | | | | | | | | | | | |
| 10 | Return on Rate Base | 491,731 | 491,731 | 491,731 | 491,731 | 491,731 | 491,731 | 491,731 | 491,731 | 491,731 | 491,731 | 491,731 | 479,022 | 479,022 | |
| 11 | | | | | | | | | | | | | | | |
| 12 | Available for return (equity portion of rate base) | 317,208 | 317,208 | 317,208 | 317,208 | 317,208 | 317,208 | 317,208 | 317,208 | 317,208 | 317,208 | 317,208 | 309,010 | 309,010 | |
| 13 | | | | | | | | | | | | | | | |
| 14 | EXPENSES | | | | | | | | | | | | | | |
| 15 | <i>O&M and Depreciation</i> | | | | | | | | | | | | | | |
| 16 | Operating Costs | 11,502 | 0 | 0 | 0 | 0 | 0 | 25,000 | 0 | 0 | 25,000 | 61,502 | 0 | 0 | |
| 17 | Property Tax | 127,059 | 127,059 | 127,059 | 127,059 | 127,059 | 127,059 | 127,059 | 127,059 | 127,059 | 1,524,709 | 133,607 | 133,607 | 133,607 | |
| 18 | Book Depreciation | 55,593 | 55,593 | 114,986 | 115,968 | 115,503 | 115,379 | 116,094 | 115,979 | 116,535 | 1,149,704 | 116,877 | 116,877 | 116,877 | |
| 19 | Total O&M and Depreciation Expense | 194,154 | 182,652 | 242,045 | 243,027 | 242,562 | 242,438 | 268,153 | 243,038 | 243,594 | 2,689,916 | 250,484 | 250,484 | 277,734 | |
| 20 | | | | | | | | | | | | | | | |
| 21 | Income before Taxes | | | | | | | | | | | | | | |
| 22 | Available for return (from above) | 317,208 | 317,208 | 317,208 | 317,208 | 317,208 | 317,208 | 317,208 | 317,208 | 317,208 | 317,208 | 309,010 | 309,010 | 309,010 | |
| 23 | Taxable Income (grossed up) | 541,033 | 541,033 | 541,033 | 541,033 | 541,033 | 541,033 | 541,033 | 541,033 | 541,033 | 6,492,400 | 527,051 | 527,051 | 527,051 | |
| 24 | | | | | | | | | | | | | | | |
| 25 | Income Taxes | | | | | | | | | | | | | | |
| 26 | Current and Def Income Taxes | 223,825 | 223,825 | 223,825 | 223,825 | 223,825 | 223,825 | 223,825 | 223,825 | 223,825 | 2,685,906 | 218,041 | 218,041 | 218,041 | |
| 27 | Total Income Tax Expense | 223,825 | 223,825 | 223,825 | 223,825 | 223,825 | 223,825 | 223,825 | 223,825 | 223,825 | 2,685,906 | 218,041 | 218,041 | 218,041 | |
| 28 | | | | | | | | | | | | | | | |
| 29 | | | | | | | | | | | | | | | |
| 30 | REVENUE REQUIREMENTS | | | | | | | | | | | | | | |
| 31 | Expenses | 417,980 | 406,478 | 465,871 | 466,853 | 466,388 | 466,264 | 491,979 | 466,864 | 467,419 | 492,762 | 5,421,821 | 468,525 | 468,525 | |
| 32 | Return on rate base | 491,731 | 491,731 | 491,731 | 491,731 | 491,731 | 491,731 | 491,731 | 491,731 | 491,731 | 491,731 | 5,900,768 | 479,022 | 479,022 | |
| 33 | Subtotal revenue requirements | 909,710 | 898,208 | 957,601 | 958,584 | 958,118 | 957,995 | 983,710 | 958,594 | 959,150 | 984,492 | 11,322,588 | 947,547 | 947,547 | |
| 34 | Adjustments | | | | | | | | | | | | | | |
| 35 | Wholesale Revenue Credit | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 36 | Total revenue requirements | 909,710 | 898,208 | 957,601 | 958,584 | 958,118 | 957,995 | 983,710 | 958,594 | 959,150 | 984,492 | 11,322,588 | 947,547 | 947,547 | |
| 37 | | | | | | | | | | | | | | | |
| 38 | Minnesota share - D2 factor | 435,660 | 430,152 | 458,595 | 459,066 | 458,843 | 458,784 | 471,098 | 459,071 | 459,337 | 471,473 | 5,422,388 | 453,780 | 453,780 | |

| Line No. | SUPPORTING INFORMATION / DATA | | | | | | | | | | | | | | |
|----------|-------------------------------|---------------|---------------|----------------|----------|----------|----------|----------|----------|---------------------|--|-------------------|-----------|-----------|--|
| 1 | | | | | | | | | | | | | | | |
| 2 | | | | | | | | | | | | | | | |
| 3 |)E per order. | | | | | | | | | | MN Cap Structure with allowed ROE per order. | | | | |
| 4 | Ratio | Cost | WA Cost | | | | | | | Property tax | 2.00% | Capital Structure | Ratio | | |
| 5 | 48.28% | 6.33% | 3.06% | | | | | | | 2015 composite rate | | Debt | 48.28% | | |
| 6 | 0.00% | 0.00% | 0.00% | | | | | | | | | Preferred equity | 0.00% | | |
| 7 | 51.72% | 10.74% | 5.55% | | | | | | | | | Common equity | 51.72% | | |
| 8 | 100.00% | | 6.61% | Overall Return | | | | | | | | | Total | 100.00% | |
| 9 | | | | | | | | | | | | | | | |
| 10 | Book | Tax | | | | | | | | | | | | | |
| 11 | 50 | 15-year MACRS | | | | | | | | | | | | | |
| 12 | | | | | | | | | | | | | | | |
| 13 | | Fed Portion | State Portion | | | | | | | | | | | | |
| 14 | | 41.37% | 9.80% | | | | | | | | | | | | |
| 15 | | 1.70561 | | | | | | | | | | | | | |
| 16 | | 0.00% | | | | | | | | | | | | | |
| 17 | | 47.890% | | | | | | | | | | | | | |
| 18 | Deferred Tax | | | | | | | | | | | | | | |
| 19 | Book depreciation | 55,593 | 55,593 | 114,986 | 115,968 | 115,503 | 115,379 | 116,094 | 115,979 | 116,535 | 1,149,704 | 116,877 | 116,877 | 116,877 | |
| 20 | Tax depreciation-Federal | 114,566 | 347,282 | 347,282 | 347,282 | 347,282 | 347,282 | 347,282 | 347,282 | 347,282 | 3,469,234 | 435,650 | 435,650 | 435,650 | |
| 21 | Tax depreciation-MN | 431,048 | 663,764 | 663,764 | 663,764 | 663,764 | 663,764 | 663,764 | 663,764 | 663,764 | 7,267,019 | 752,076 | 752,076 | 752,076 | |
| 22 | Federal deferred income taxes | (18,618) | (92,086) | (73,336) | (73,026) | (73,173) | (73,212) | (72,986) | (73,022) | (72,847) | (72,739) | (100,637) | (100,637) | (100,637) | |
| 23 | State deferred income taxes | (36,795) | (59,601) | (53,780) | (53,684) | (53,730) | (53,742) | (53,672) | (53,683) | (53,626) | (53,595) | (59,497) | (59,497) | (59,497) | |

| Line No. | 2016 Projected April | 2016 Projected May | 2016 Projected June | 2016 Projected July | 2016 Projected August | 2016 Projected September | 2016 Projected October | 2016 Projected November | 2016 Projected December | 2016 Projected Total | 2017 Projected January | 2017 Projected February | 2017 Projected March |
|-----------------------------|----------------------|--------------------|---------------------|---------------------|-----------------------|--------------------------|------------------------|-------------------------|-------------------------|----------------------|------------------------|-------------------------|----------------------|
| RATE BASE | | | | | | | | | | | | | |
| 1 | 80,164,370 | 80,164,370 | 80,164,370 | 80,164,370 | 80,164,370 | 80,164,370 | 80,164,370 | 80,164,370 | 80,164,370 | 80,164,370 | 80,164,370 | 80,164,370 | 80,164,370 |
| 2 | (2,527,677) | (2,644,554) | (2,761,431) | (2,878,308) | (2,995,185) | (3,112,062) | (3,228,939) | (3,345,816) | (3,462,693) | (3,462,693) | (3,579,570) | (3,696,447) | (3,813,324) |
| 3 | 77,636,693 | 77,519,816 | 77,402,939 | 77,286,062 | 77,169,185 | 77,052,308 | 76,935,431 | 76,818,554 | 76,701,677 | 76,701,677 | 76,584,800 | 76,467,923 | 76,351,046 |
| 4 | (0) | (0) | (0) | (0) | (0) | (0) | (0) | (0) | (0) | (0) | (0) | (0) | (0) |
| 5 | (10,321,110) | (10,483,996) | (10,646,882) | (10,809,768) | (10,972,654) | (11,135,541) | (11,298,427) | (11,461,313) | (11,624,199) | (11,624,199) | (11,787,085) | (11,950,000) | (12,112,915) |
| 6 | 67,315,583 | 67,035,820 | 66,756,057 | 66,476,293 | 66,196,530 | 65,916,767 | 65,637,004 | 65,357,241 | 65,077,478 | 65,077,478 | 64,828,238 | 64,578,998 | 64,329,758 |
| 7 | | | | | | | | | | | | | |
| 8 | 5,563,005 | 5,563,005 | 5,563,005 | 5,563,005 | 5,563,005 | 5,563,005 | 5,563,005 | 5,563,005 | 5,563,005 | 66,756,057 | 5,298,503 | 5,298,503 | 5,298,503 |
| 9 | | | | | | | | | | | | | |
| 10 | 479,022 | 479,022 | 479,022 | 479,022 | 479,022 | 479,022 | 479,022 | 479,022 | 479,022 | 5,748,265 | 456,246 | 456,246 | 456,246 |
| 11 | | | | | | | | | | | | | |
| 12 | 309,010 | 309,010 | 309,010 | 309,010 | 309,010 | 309,010 | 309,010 | 309,010 | 309,010 | 3,708,117 | 294,317 | 294,317 | 294,317 |
| 13 | | | | | | | | | | | | | |
| EXPENSES | | | | | | | | | | | | | |
| 15 | | | | | | | | | | | | | |
| 16 | 0 | 0 | 27,250 | 0 | 0 | 27,250 | 0 | 0 | 27,250 | 109,000 | 0 | 0 | 27,250 |
| 17 | 133,607 | 133,607 | 133,607 | 133,607 | 133,607 | 133,607 | 133,607 | 133,607 | 133,607 | 1,603,287 | 133,607 | 133,607 | 133,607 |
| 18 | 116,877 | 116,877 | 116,877 | 116,877 | 116,877 | 116,877 | 116,877 | 116,877 | 116,877 | 1,402,524 | 116,877 | 116,877 | 116,877 |
| 19 | 250,484 | 250,484 | 277,734 | 250,484 | 250,484 | 277,734 | 250,484 | 250,484 | 277,734 | 3,114,811 | 250,484 | 250,484 | 277,734 |
| 20 | | | | | | | | | | | | | |
| 21 | 309,010 | 309,010 | 309,010 | 309,010 | 309,010 | 309,010 | 309,010 | 309,010 | 309,010 | 3,708,117 | 294,317 | 294,317 | 294,317 |
| 22 | 527,051 | 527,051 | 527,051 | 527,051 | 527,051 | 527,051 | 527,051 | 527,051 | 527,051 | 6,324,607 | 501,991 | 501,991 | 501,991 |
| 23 | | | | | | | | | | | | | |
| 24 | | | | | | | | | | | | | |
| 25 | 218,041 | 218,041 | 218,041 | 218,041 | 218,041 | 218,041 | 218,041 | 218,041 | 218,041 | 2,616,490 | 207,674 | 207,674 | 207,674 |
| 26 | 218,041 | 218,041 | 218,041 | 218,041 | 218,041 | 218,041 | 218,041 | 218,041 | 218,041 | 2,616,490 | 207,674 | 207,674 | 207,674 |
| 27 | | | | | | | | | | | | | |
| 28 | | | | | | | | | | | | | |
| 29 | | | | | | | | | | | | | |
| REVENUE REQUIREMENTS | | | | | | | | | | | | | |
| 30 | | | | | | | | | | | | | |
| 31 | 468,525 | 468,525 | 495,775 | 468,525 | 468,525 | 495,775 | 468,525 | 468,525 | 495,775 | 5,731,301 | 458,158 | 458,158 | 485,408 |
| 32 | 479,022 | 479,022 | 479,022 | 479,022 | 479,022 | 479,022 | 479,022 | 479,022 | 479,022 | 5,748,265 | 456,246 | 456,246 | 456,246 |
| 33 | 947,547 | 947,547 | 974,797 | 947,547 | 947,547 | 974,797 | 947,547 | 947,547 | 974,797 | 11,479,566 | 914,404 | 914,404 | 941,654 |
| 34 | | | | | | | | | | | | | |
| 35 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 36 | 947,547 | 947,547 | 974,797 | 947,547 | 947,547 | 974,797 | 947,547 | 947,547 | 974,797 | 11,479,566 | 914,404 | 914,404 | 941,654 |
| 37 | | | | | | | | | | | | | |
| 38 | 453,780 | 453,780 | 466,830 | 453,780 | 453,780 | 466,830 | 453,780 | 453,780 | 466,830 | 5,497,564 | 437,908 | 437,908 | 450,958 |

| Line No. | SUPPORTING INFORMATION / DATA | | | | | | | | | | | | | |
|----------|-------------------------------|-----------|----------------------|-----------|----------------|-----------|-----------|-----------|-----------|---------------------|-------------|--|----------|----------|
| 1 | | | | | | | | | | | | | | |
| 2 | | | | | | | | | | | | | | |
| 3 | | | | | | | | | | | | | | |
| 4 | Cost | | WA Cost | | | | | | | Property tax | | MN Cap Structure with allowed ROE per order. | | |
| 5 | 6.33% | | 3.06% | | | | | | | 2016 composite rate | | Capital Structure Ratio | | |
| 6 | 0.00% | | 0.00% | | | | | | | 2.00% | | Debt 48.28% | | |
| 7 | 10.74% | | 5.55% | | | | | | | | | Preferred equity 0.00% | | |
| 8 | | | 8.61% | | Overall Return | | | | | | | Common equity 51.72% | | |
| 9 | | | | | | | | | | | | Total 100.00% | | |
| 10 | | | | | | | | | | | | | | |
| 11 | | | | | | | | | | | | Book | | |
| 12 | | | | | | | | | | | | Project life (years) 50 | | |
| 13 | | | | | | | | | | | | | | |
| 14 | Fed Portion | | State Portion | | | | | | | | | Statutory Tax Rate 41.37% | | |
| 15 | 31.57% | | 9.80% | | | | | | | | | Tax conversion factor 1.70561 | | |
| 16 | | | | | | | | | | | | Wholesale Revenue Credit 0.00% | | |
| 17 | | | | | | | | | | | | MN share - D2 factor 47.890% | | |
| 18 | Deferred Tax | | | | | | | | | | | | | |
| 19 | 116,877 | 116,877 | 116,877 | 116,877 | 116,877 | 116,877 | 116,877 | 116,877 | 116,877 | 116,877 | 1,402,524 | 116,877 | 116,877 | 116,877 |
| 20 | 435,650 | 435,650 | 435,650 | 435,650 | 435,650 | 435,650 | 435,650 | 435,650 | 435,650 | 435,650 | 5,227,800 | 392,137 | 392,137 | 392,137 |
| 21 | 752,076 | 752,076 | 752,076 | 752,076 | 752,076 | 752,076 | 752,076 | 752,076 | 752,076 | 752,076 | 9,024,916 | 580,786 | 580,786 | 580,786 |
| 22 | (100,637) | (100,637) | (100,637) | (100,637) | (100,637) | (100,637) | (100,637) | (100,637) | (100,637) | (100,637) | (1,207,640) | (86,900) | (86,900) | (86,900) |
| 23 | (62,250) | (62,250) | (62,250) | (62,250) | (62,250) | (62,250) | (62,250) | (62,250) | (62,250) | (62,250) | (746,994) | (45,463) | (45,463) | (45,463) |

| Line No. | Year>> | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2017 | 2017 | 2017 | | | | |
|--------------------------------------|--------|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|---------------|---------------|---------------|-----------|-----------|-----------|---------------------|---|---------------|--|--------------------------|--|--|
| | | Projected Apr | Projected May | Projected Jun | Projected Jul | Projected Aug | Projected Sep | Projected Oct | Projected Nov | Projected Dec | Projected Total | Projected Jan | Projected Feb | Projected Mar | | | | | | | | | | |
| RATE BASE | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Plant Balance | | | | | | | | | | | | | | | | | | | | | | |
| | | Transmission Plant - Land and Land Rights (350) | | | | | | | | | | | | | | | | | | | | | | |
| | | Transmission Plant - Poles & Fixtures (355) | | | | | | | | | | | | | | | | | | | | | | |
| | | Transmission Plant - Overhead Conductors & Devices (3) | | | | | | | | | | | | | | | | | | | | | | |
| | | 486,846 | 486,846 | 486,846 | 486,846 | 486,846 | 486,846 | 486,846 | 486,846 | 486,846 | 486,846 | 486,846 | 486,846 | 486,846 | 486,846 | 486,846 | 486,846 | 486,846 | 486,846 | 486,846 | | | | |
| | | 5,386,475 | 5,386,475 | 5,386,475 | 5,386,475 | 5,386,475 | 5,386,475 | 5,386,475 | 5,386,475 | 5,386,475 | 5,386,475 | 5,386,475 | 5,386,475 | 5,386,475 | 5,386,475 | 5,386,475 | 5,386,475 | 5,386,475 | 5,386,475 | 5,386,475 | | | | |
| | | 1,548,110 | 1,548,110 | 1,548,110 | 1,548,110 | 1,548,110 | 1,548,110 | 1,548,110 | 1,548,110 | 1,548,110 | 1,548,110 | 1,548,110 | 1,548,110 | 1,548,110 | 1,548,110 | 1,548,110 | 1,548,110 | 1,548,110 | 1,548,110 | 1,548,110 | | | | |
| 1 | | 7,421,431 | 7,421,431 | 7,421,431 | 7,421,431 | 7,421,431 | 7,421,431 | 7,421,431 | 7,421,431 | 7,421,431 | 7,421,431 | 7,421,431 | 7,421,431 | 7,421,431 | 7,421,431 | 7,421,431 | 7,421,431 | 7,421,431 | 7,421,431 | 7,421,431 | | | | |
| 2 | | (794,491) | (805,989) | (817,487) | (828,986) | (840,484) | (851,982) | (863,480) | (874,978) | (886,476) | (897,974) | (909,472) | (920,970) | | | | | (897,974) | (909,472) | (920,970) | | | | |
| 3 | | 6,626,940 | 6,615,442 | 6,603,943 | 6,592,445 | 6,580,947 | 6,569,449 | 6,557,951 | 6,546,453 | 6,534,955 | 6,523,457 | 6,511,959 | 6,500,461 | | | | | 6,523,457 | 6,511,959 | 6,500,461 | | | | |
| CWIP Calculation: | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Beginning Balance | | | | | | | | | | | | | | | | | | | | | | |
| | | Additional CWIP | | | | | | | | | | | | | | | | | | | | | | |
| | | Remove Internal Costs & Cap at CON | | | | | | | | | | | | | | | | | | | | | | |
| | | Closings from CWIP | | | | | | | | | | | | | | | | | | | | | | |
| | | AFUDC | | | | | | | | | | | | | | | | | | | | | | |
| 4 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | | |
| 5 | 103487 | (3,256,203) | (3,255,691) | (3,255,179) | (3,254,667) | (3,254,155) | (3,253,643) | (3,253,131) | (3,252,619) | (3,252,107) | (3,251,595) | (3,251,083) | (3,250,571) | | | | | (3,252,199) | (3,252,711) | (3,253,223) | | | | |
| 6 | | 3,370,736 | 3,359,750 | 3,348,764 | 3,337,778 | 3,326,792 | 3,315,806 | 3,304,820 | 3,293,834 | 3,282,848 | 3,271,862 | 3,260,876 | 3,249,890 | | | | | 3,271,268 | 3,259,687 | 3,248,107 | | | | |
| 7 | | | | | | | | | | | | | | | | | | | | | | | | |
| 8 | | 279,064 | 279,064 | 279,064 | 279,064 | 279,064 | 279,064 | 279,064 | 279,064 | 279,064 | 279,064 | 279,064 | 279,064 | 3,348,764 | 267,780 | 267,780 | 267,780 | | | | | | | |
| 9 | | | | | | | | | | | | | | | | | | | | | | | | |
| 10 | | 24,030 | 24,030 | 24,030 | 24,030 | 24,030 | 24,030 | 24,030 | 24,030 | 24,030 | 24,030 | 24,030 | 24,030 | 288,357 | 23,058 | 23,058 | 23,058 | | | | | | | |
| 11 | | | | | | | | | | | | | | | | | | | | | | | | |
| 12 | | 15,501 | 15,501 | 15,501 | 15,501 | 15,501 | 15,501 | 15,501 | 15,501 | 15,501 | 15,501 | 15,501 | 15,501 | 186,015 | 14,874 | 14,874 | 14,874 | | | | | | | |
| 13 | | | | | | | | | | | | | | | | | | | | | | | | |
| EXPENSES | | | | | | | | | | | | | | | | | | | | | | | | |
| 15 | | O&M and Depreciation | | | | | | | | | | | | | | | | | | | | | | |
| 16 | | 0 | 0 | 18,750 | 0 | 0 | 18,750 | 0 | 0 | 18,750 | 0 | 0 | 18,750 | 0 | 0 | 0 | 18,750 | 0 | 0 | 18,750 | | | | |
| 17 | | 12,369 | 12,369 | 12,369 | 12,369 | 12,369 | 12,369 | 12,369 | 12,369 | 12,369 | 12,369 | 12,369 | 12,369 | 148,429 | 12,369 | 12,369 | 12,369 | | | | | | | |
| 18 | | 11,498 | 11,498 | 11,498 | 11,498 | 11,498 | 11,498 | 11,498 | 11,498 | 11,498 | 11,498 | 11,498 | 11,498 | 137,977 | 11,498 | 11,498 | 11,498 | | | | | | | |
| 19 | | 23,867 | 23,867 | 23,867 | 23,867 | 23,867 | 23,867 | 23,867 | 23,867 | 23,867 | 23,867 | 23,867 | 23,867 | 286,406 | 23,867 | 23,867 | 23,867 | | | | | | | |
| 20 | | | | | | | | | | | | | | | | | | | | | | | | |
| 21 | | Income before Taxes | | | | | | | | | | | | | | | | | | | | | | |
| 22 | | 15,501 | 15,501 | 15,501 | 15,501 | 15,501 | 15,501 | 15,501 | 15,501 | 15,501 | 15,501 | 15,501 | 15,501 | 186,015 | 14,874 | 14,874 | 14,874 | | | | | | | |
| 23 | 1,7056 | 26,439 | 26,439 | 26,439 | 26,439 | 26,439 | 26,439 | 26,439 | 26,439 | 26,439 | 26,439 | 26,439 | 26,439 | 317,269 | 25,370 | 25,370 | 25,370 | | | | | | | |
| 24 | | | | | | | | | | | | | | | | | | | | | | | | |
| 25 | | Income Taxes | | | | | | | | | | | | | | | | | | | | | | |
| 26 | 41.37% | 10,938 | 10,938 | 10,938 | 10,938 | 10,938 | 10,938 | 10,938 | 10,938 | 10,938 | 10,938 | 10,938 | 10,938 | 131,254 | 10,496 | 10,496 | 10,496 | | | | | | | |
| 27 | | 10,938 | 10,938 | 10,938 | 10,938 | 10,938 | 10,938 | 10,938 | 10,938 | 10,938 | 10,938 | 10,938 | 10,938 | 131,254 | 10,496 | 10,496 | 10,496 | | | | | | | |
| 28 | | | | | | | | | | | | | | | | | | | | | | | | |
| 29 | | REVENUE REQUIREMENTS | | | | | | | | | | | | | | | | | | | | | | |
| 30 | | Expenses | | | | | | | | | | | | | | | | | | | | | | |
| 31 | | 34,805 | 34,805 | 34,805 | 34,805 | 34,805 | 34,805 | 34,805 | 34,805 | 34,805 | 34,805 | 34,805 | 34,805 | 417,660 | 34,363 | 34,363 | 34,363 | | | | | | | |
| 32 | | 24,030 | 24,030 | 24,030 | 24,030 | 24,030 | 24,030 | 24,030 | 24,030 | 24,030 | 24,030 | 24,030 | 24,030 | 288,357 | 23,058 | 23,058 | 23,058 | | | | | | | |
| 33 | | 58,835 | 58,835 | 58,835 | 58,835 | 58,835 | 58,835 | 58,835 | 58,835 | 58,835 | 58,835 | 58,835 | 58,835 | 706,017 | 57,421 | 57,421 | 57,421 | | | | | | | |
| 34 | | | | | | | | | | | | | | | | | | | | | | | | |
| 35 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | | | | | |
| 36 | | 58,835 | 58,835 | 58,835 | 58,835 | 58,835 | 58,835 | 58,835 | 58,835 | 58,835 | 58,835 | 58,835 | 58,835 | 706,017 | 57,421 | 57,421 | 57,421 | | | | | | | |
| 37 | | | | | | | | | | | | | | | | | | | | | | | | |
| 38 | 47.89% | 28,176 | 28,176 | 28,176 | 28,176 | 28,176 | 28,176 | 28,176 | 28,176 | 28,176 | 28,176 | 28,176 | 28,176 | 374,029 | 27,499 | 27,499 | 27,499 | | | | | | | |
| SUPPORTING INFORMATION / DATA | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | | | | | | | | | | | | | | | | | | | | | | | | |
| 4 | | Cost | WA Cost | | | | | | | | | | | | | | | Property tax | MN Cap Structure with allowed ROE per order | | | | | |
| 5 | | 6.33% | 3.06% | | | | | | | | | | | | | | | 2016 composite rate | Capital Structure | | | | | |
| 6 | | 0.00% | 0.00% | | | | | | | | | | | | | | | 2.00% | Debt | | | | | |
| 7 | | 10.74% | 5.55% | | | | | | | | | | | | | | | | Preferred equity | | | | | |
| 8 | | 8.61% Overall Return | | | | | | | | | | | | | | | | | | Common equity | | | | |
| 9 | | | | | | | | | | | | | | | | | | | | | | Total | | |
| 10 | | | | | | | | | | | | | | | | | | | | | | 100.00% | | |
| 11 | | | | | | | | | | | | | | | | | | | | | | Book | | |
| 12 | | | | | | | | | | | | | | | | | | | | | | 50 | | |
| 13 | | | | | | | | | | | | | | | | | | | | | | Project life (years) | | |
| 14 | | Fed Portion | State Portion | | | | | | | | | | | | | | | | Statutory Tax Rate | | | | | |
| 15 | | 31.57% | 9.80% | | | | | | | | | | | | | | | | 41.37% | | | | | |
| 16 | | | | | | | | | | | | | | | | | | | | | | Tax conversion factor | | |
| 17 | | | | | | | | | | | | | | | | | | | | | | 1.70561 | | |
| 18 | | | | | | | | | | | | | | | | | | | | | | Wholesale Revenue Credit | | |
| 19 | | | | | | | | | | | | | | | | | | | | | | 0.00% | | |
| 20 | | | | | | | | | | | | | | | | | | | | | | MN share - D2 factor | | |
| 21 | | | | | | | | | | | | | | | | | | | | | | 47.890% | | |
| 22 | | | | | | | | | | | | | | | | | | | | | | | | |
| 23 | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Plant Balance | | | | | | | | | | | | | | | | | | | | | | |
| | | Transmission Plant - Land and Land Rights (350) | | | | | | | | | | | | | | | | | | | | | | |
| | | Transmission Plant - Poles & Fixtures (355) | | | | | | | | | | | | | | | | | | | | | | |
| | | Transmission Plant - Overhead Conductors & Devices (3) | | | | | | | | | | | | | | | | | | | | | | |
| | | 580 | 580 | 580 | 580 | 580 | 580 | 580 | 580 | 580 | 580 | 580 | 580 | 6,955 | 580 | 580 | 580 | | | | | | | |
| | | 8,730 | 8,730 | 8,730 | 8,730 | 8,730 | 8,730 | 8,730 | 8,730 | 8,730 | 8,730 | 8,730 | 8,730 | 104,762 | 8,730 | 8,730 | 8,730 | | | | | | | |
| | | 2,188 | 2,188 | 2,188 | 2,188 | 2,188 | 2,188 | 2,188 | 2,188 | 2,188 | 2,188 | 2,188 | 2,188 | 26,261 | 2,188 | 2,188 | 2,188 | | | | | | | |
| 19 | | 11,498 | 11,498 | 11,498 | 11,498 | 11,498 | 11,498 | 11,498 | 11,498 | 11,498 | 11,498 | 11,498 | 11,498 | 137,977 | 11,498 | 11,498 | 11,498 | | | | | | | |
| 20 | | (15,181) | (15,181) | (15,181) | (15,181) | (15,181) | (15,181) | (15,181) | (15,181) | (15,181) | (15,181) | (15,181) | (15,181) | (182,168) | (13,744) | (13,744) | (13,744) | | | | | | | |
| 21 | | 92,217 | 92,217 | 92,217 | 92,217 | 92,217 | 92,217 | 92,217 | 92,217 | 92,217 | 92,217 | 92,217 | 92,217 | 1,106,600 | 93,653 | 93,653 | 93,653 | | | | | | | |
| 22 | | 8,422 | 8,422 | 8,422 | 8,422 | 8,422 | 8,422 | 8,422 | 8,422 | 8,422 | 8,422 | 8,422 | 8,422 | 101,070 | 7,969 | 7,969 | 7,969 | | | | | | | |
| 23 | | (7,910) | (7,910) | (7,910) | (7,910) | (7,910) | (7,910) | (7,910) | (7,910) | (7,910) | (7,910) | (7,910) | (7,910) | (94,925) | (8,051) | (8,051) | (8,051) | | | | | | | |

| Line No. | Year>> | 2015 Actual March | 2015 Actual April | 2015 Actual May | 2015 Actual June | 2015 Actual July | 2015 Actual August | 2015 Projected September | 2015 Projected October | 2015 Projected November | 2015 Projected December | 2015 Projected Total | 2016 Projected January | 2016 Projected February | 2016 Projected March |
|--------------------------------------|--|-------------------|-------------------|-----------------|------------------|------------------|--------------------|--------------------------|------------------------|-------------------------|-------------------------|----------------------|------------------------|-------------------------|----------------------|
| RATE BASE | | | | | | | | | | | | | | | |
| 1 | Plant Balance | 5,366,052 | 5,366,052 | 5,366,052 | 5,366,052 | 5,366,052 | 5,366,052 | 5,366,052 | 5,366,052 | 5,366,052 | 5,366,052 | 5,366,052 | 5,366,052 | 5,366,052 | 5,366,052 |
| 2 | Accumulated Depreciation | (258,594) | (265,630) | (272,666) | (279,702) | (286,738) | (293,774) | (300,810) | (307,846) | (314,882) | (321,919) | (321,919) | (328,955) | (335,991) | (343,027) |
| 3 | Net Plant in Service | 5,107,458 | 5,100,422 | 5,093,386 | 5,086,350 | 5,079,313 | 5,072,277 | 5,065,241 | 5,058,205 | 5,051,169 | 5,044,133 | 5,044,133 | 5,037,097 | 5,030,061 | 5,023,025 |
| 4 | CWIP | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5 | Accumulated Deferred Income Taxes Federal & State | (1,474,022) | (1,479,784) | (1,485,547) | (1,491,310) | (1,497,073) | (1,502,836) | (1,508,599) | (1,514,361) | (1,520,124) | (1,525,887) | (1,525,887) | (1,531,644) | (1,536,600) | (1,541,957) |
| 6 | Ending rate base | 3,633,436 | 3,620,638 | 3,607,839 | 3,595,040 | 3,582,241 | 3,569,442 | 3,556,643 | 3,543,844 | 3,531,046 | 3,518,247 | 3,518,247 | 3,505,854 | 3,493,461 | 3,481,069 |
| 7 | | | | | | | | | | | | | | | |
| 8 | Average rate base | 299,587 | 299,587 | 299,587 | 299,587 | 299,587 | 299,587 | 299,587 | 299,587 | 299,587 | 299,587 | 3,595,040 | 286,991 | 286,991 | 286,991 |
| 9 | | | | | | | | | | | | | | | |
| 10 | Return on Rate Base | 25,797 | 25,797 | 25,797 | 25,797 | 25,797 | 25,797 | 25,797 | 25,797 | 25,797 | 25,797 | 309,564 | 24,712 | 24,712 | 24,712 |
| 11 | | | | | | | | | | | | | | | |
| 12 | Available for return (equity portion of rate base) | 16,641 | 16,641 | 16,641 | 16,641 | 16,641 | 16,641 | 16,641 | 16,641 | 16,641 | 16,641 | 199,695 | 15,942 | 15,942 | 15,942 |
| 13 | | | | | | | | | | | | | | | |
| EXPENSES | | | | | | | | | | | | | | | |
| <i>O&M and Depreciation</i> | | | | | | | | | | | | | | | |
| 15 | Operating Costs | 520 | 502 | 502 | 502 | 502 | 502 | 502 | 502 | 502 | 502 | 6,079 | 502 | 502 | 502 |
| 16 | Property Tax | 8,943 | 8,943 | 8,943 | 8,943 | 8,943 | 8,943 | 8,943 | 8,943 | 8,943 | 8,943 | 107,321 | 8,943 | 8,943 | 8,943 |
| 17 | Book Depreciation | 7,036 | 7,036 | 7,036 | 7,036 | 7,036 | 7,036 | 7,036 | 7,036 | 7,036 | 7,036 | 84,432 | 7,036 | 7,036 | 7,036 |
| 18 | Total O&M and Depreciation Expense | 16,500 | 16,481 | 16,481 | 16,481 | 16,481 | 16,481 | 16,481 | 16,481 | 16,481 | 16,481 | 197,833 | 16,481 | 16,481 | 16,481 |
| 19 | | | | | | | | | | | | | | | |
| 20 | Income before Taxes | | | | | | | | | | | | | | |
| 21 | Available for return (from above) | 16,641 | 16,641 | 16,641 | 16,641 | 16,641 | 16,641 | 16,641 | 16,641 | 16,641 | 16,641 | 199,695 | 15,942 | 15,942 | 15,942 |
| 22 | Taxable Income (grossed up) | 1.7056 | 28,383 | 28,383 | 28,383 | 28,383 | 28,383 | 28,383 | 28,383 | 28,383 | 28,383 | 340,602 | 27,190 | 27,190 | 27,190 |
| 23 | | | | | | | | | | | | | | | |
| 24 | Income Taxes | | | | | | | | | | | | | | |
| 25 | Current and Def Income Taxes | 41.37% | 11,742 | 11,742 | 11,742 | 11,742 | 11,742 | 11,742 | 11,742 | 11,742 | 11,742 | 140,907 | 11,249 | 11,249 | 11,249 |
| 26 | Total Income Tax Expense | | 11,742 | 11,742 | 11,742 | 11,742 | 11,742 | 11,742 | 11,742 | 11,742 | 11,742 | 140,907 | 11,249 | 11,249 | 11,249 |
| 27 | | | | | | | | | | | | | | | |
| 28 | | | | | | | | | | | | | | | |
| 29 | | | | | | | | | | | | | | | |
| REVENUE REQUIREMENTS | | | | | | | | | | | | | | | |
| 30 | Expenses | 28,242 | 28,224 | 28,224 | 28,224 | 28,224 | 28,224 | 28,224 | 28,224 | 28,224 | 28,224 | 338,740 | 27,730 | 27,730 | 27,730 |
| 31 | Return on rate base | 25,797 | 25,797 | 25,797 | 25,797 | 25,797 | 25,797 | 25,797 | 25,797 | 25,797 | 25,797 | 309,564 | 24,712 | 24,712 | 24,712 |
| 32 | Subtotal revenue requirements | 54,039 | 54,021 | 54,021 | 54,021 | 54,021 | 54,021 | 54,021 | 54,021 | 54,021 | 54,021 | 648,303 | 52,442 | 52,442 | 52,442 |
| 33 | Adjustments | | | | | | | | | | | | | | |
| 34 | Wholesale Revenue Credit | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 35 | Total revenue requirements | 54,039 | 54,021 | 54,021 | 54,021 | 54,021 | 54,021 | 54,021 | 54,021 | 54,021 | 54,021 | 648,303 | 52,442 | 52,442 | 52,442 |
| 36 | | | | | | | | | | | | | | | |
| 37 | Minnesota share - D2 factor | 47.89% | 25,879 | 25,870 | 25,870 | 25,870 | 25,870 | 25,870 | 25,870 | 25,870 | 25,870 | 310,472 | 25,115 | 25,115 | 25,115 |
| 38 | | | | | | | | | | | | | | | |
| SUPPORTING INFORMATION / DATA | | | | | | | | | | | | | | | |
| 1 | | | | | | | | | | | | | | | |
| 2 | | | | | | | | | | | | | | | |
| 3 | DE per order. | | | | | | | | | | | | | | |
| 4 | Ratio | 48.28% | 6.33% | 3.06% | | | | | | | | | | | |
| 5 | Cost | 0.00% | 0.00% | 0.00% | | | | | | | | | | | |
| 6 | WA Cost | 51.72% | 10.74% | 5.55% | | | | | | | | | | | |
| 7 | Overall Return | 100.00% | | 8.61% | | | | | | | | | | | |
| 8 | | | | | | | | | | | | | | | |
| 9 | Book | | | | | | | | | | | | | | |
| 10 | Tax | 50 | 15-year | MACRS | | | | | | | | | | | |
| 11 | | | | | | | | | | | | | | | |
| 12 | Fed Portion | 41.37% | 31.57% | 9.80% | | | | | | | | | | | |
| 13 | State Portion | 1.70561 | | | | | | | | | | | | | |
| 14 | | 0.00% | | | | | | | | | | | | | |
| 15 | | 47.890% | | | | | | | | | | | | | |
| 16 | | | | | | | | | | | | | | | |
| 17 | | | | | | | | | | | | | | | |
| 18 | Deferred Tax | | | | | | | | | | | | | | |
| 19 | Book depreciation | 7,036 | 7,036 | 7,036 | 7,036 | 7,036 | 7,036 | 7,036 | 7,036 | 7,036 | 7,036 | 84,432 | 7,036 | 7,036 | 7,036 |
| 20 | Tax depreciation-Federal | 9,848 | 9,848 | 9,848 | 9,848 | 9,848 | 9,848 | 9,848 | 9,848 | 9,848 | 9,848 | 118,178 | 8,866 | 8,866 | 8,866 |
| 21 | Tax depreciation-MN | 56,781 | 56,781 | 56,781 | 56,781 | 56,781 | 56,781 | 56,781 | 56,781 | 56,781 | 56,781 | 681,374 | 55,799 | 55,799 | 55,799 |
| 22 | Federal deferred income taxes | (888) | (888) | (888) | (888) | (888) | (888) | (888) | (888) | (888) | (888) | (10,653) | (578) | (578) | (578) |
| 23 | State deferred income taxes | (4,875) | (4,875) | (4,875) | (4,875) | (4,875) | (4,875) | (4,875) | (4,875) | (4,875) | (4,875) | (58,500) | (4,779) | (4,779) | (4,779) |

| Line No. | Year>> | 2016 Projected April | 2016 Projected May | 2016 Projected June | 2016 Projected July | 2016 Projected August | 2016 Projected September | 2016 Projected October | 2016 Projected November | 2016 Projected December | 2016 Projected Total | 2017 Projected January | 2017 Projected February | 2017 Projected March |
|---------------------------------|--|----------------------|--------------------|---------------------|---------------------|-----------------------|--------------------------|------------------------|-------------------------|-------------------------|----------------------|------------------------|-------------------------|----------------------|
| RATE BASE | | | | | | | | | | | | | | |
| 1 | Plant Balance | 5,366,052 | 5,366,052 | 5,366,052 | 5,366,052 | 5,366,052 | 5,366,052 | 5,366,052 | 5,366,052 | 5,366,052 | 5,366,052 | 5,366,052 | 5,366,052 | 5,366,052 |
| 2 | Accumulated Depreciation | (350,063) | (357,099) | (364,135) | (371,171) | (378,207) | (385,243) | (392,279) | (399,315) | (406,351) | (406,351) | (413,384) | (420,416) | (427,449) |
| 3 | Net Plant in Service | 5,015,989 | 5,008,953 | 5,001,917 | 4,994,881 | 4,987,845 | 4,980,809 | 4,973,773 | 4,966,737 | 4,959,701 | 4,959,701 | 4,952,668 | 4,945,636 | 4,938,603 |
| 4 | CWIP | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5 | Accumulated Deferred Income Taxes Federal & State | (1,547,314) | (1,552,670) | (1,558,027) | (1,563,383) | (1,568,740) | (1,574,097) | (1,579,453) | (1,584,810) | (1,590,167) | (1,590,167) | (1,591,496) | (1,592,825) | (1,594,154) |
| 6 | Ending rate base | 3,468,676 | 3,456,283 | 3,443,891 | 3,431,498 | 3,419,105 | 3,406,713 | 3,394,320 | 3,381,927 | 3,369,535 | 3,369,535 | 3,361,173 | 3,352,811 | 3,344,449 |
| 7 | | | | | | | | | | | | | | |
| 8 | Average rate base | 286,991 | 286,991 | 286,991 | 286,991 | 286,991 | 286,991 | 286,991 | 286,991 | 286,991 | 3,443,891 | 276,614 | 276,614 | 276,614 |
| 9 | | | | | | | | | | | | | | |
| 10 | Return on Rate Base | 24,712 | 24,712 | 24,712 | 24,712 | 24,712 | 24,712 | 24,712 | 24,712 | 24,712 | 296,548 | 23,819 | 23,819 | 23,819 |
| 11 | | | | | | | | | | | | | | |
| 12 | Available for return (equity portion of rate base) | 15,942 | 15,942 | 15,942 | 15,942 | 15,942 | 15,942 | 15,942 | 15,942 | 15,942 | 191,299 | 15,365 | 15,365 | 15,365 |
| 13 | | | | | | | | | | | | | | |
| EXPENSES | | | | | | | | | | | | | | |
| <i>O&M and Depreciation</i> | | | | | | | | | | | | | | |
| 16 | Operating Costs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,506 | 0 | 0 | 0 |
| 17 | Property Tax | 8,943 | 8,943 | 8,943 | 8,943 | 8,943 | 8,943 | 8,943 | 8,943 | 8,943 | 107,321 | 8,943 | 8,943 | 8,943 |
| 18 | Book Depreciation | 7,036 | 7,036 | 7,036 | 7,036 | 7,036 | 7,036 | 7,036 | 7,036 | 7,036 | 84,432 | 7,033 | 7,033 | 7,033 |
| 19 | Total O&M and Depreciation Expense | 15,979 | 15,979 | 15,979 | 15,979 | 15,979 | 15,979 | 15,979 | 15,979 | 15,979 | 193,259 | 15,976 | 15,976 | 15,976 |
| 20 | | | | | | | | | | | | | | |
| 21 | Income before Taxes | | | | | | | | | | | | | |
| 22 | Available for return (from above) | 15,942 | 15,942 | 15,942 | 15,942 | 15,942 | 15,942 | 15,942 | 15,942 | 15,942 | 191,299 | 15,365 | 15,365 | 15,365 |
| 23 | Taxable Income (grossed up) | 1,7056 | 27,190 | 27,190 | 27,190 | 27,190 | 27,190 | 27,190 | 27,190 | 27,190 | 326,281 | 26,207 | 26,207 | 26,207 |
| 24 | | | | | | | | | | | | | | |
| 25 | Income Taxes | | | | | | | | | | | | | |
| 26 | Current and Def Income Taxes | 41.37% | 11,249 | 11,249 | 11,249 | 11,249 | 11,249 | 11,249 | 11,249 | 11,249 | 134,983 | 10,842 | 10,842 | 10,842 |
| 27 | Total Income Tax Expense | | 11,249 | 11,249 | 11,249 | 11,249 | 11,249 | 11,249 | 11,249 | 11,249 | 134,983 | 10,842 | 10,842 | 10,842 |
| 28 | | | | | | | | | | | | | | |
| REVENUE REQUIREMENTS | | | | | | | | | | | | | | |
| 29 | | | | | | | | | | | | | | |
| 30 | Expenses | 27,228 | 27,228 | 27,228 | 27,228 | 27,228 | 27,228 | 27,228 | 27,228 | 27,228 | 328,242 | 26,818 | 26,818 | 26,818 |
| 31 | Return on rate base | 24,712 | 24,712 | 24,712 | 24,712 | 24,712 | 24,712 | 24,712 | 24,712 | 24,712 | 296,548 | 23,819 | 23,819 | 23,819 |
| 32 | Subtotal revenue requirements | 51,940 | 51,940 | 51,940 | 51,940 | 51,940 | 51,940 | 51,940 | 51,940 | 51,940 | 624,790 | 50,637 | 50,637 | 50,637 |
| 33 | Adjustments | | | | | | | | | | | | | |
| 34 | Wholesale Revenue Credit | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 35 | Total revenue requirements | 51,940 | 51,940 | 51,940 | 51,940 | 51,940 | 51,940 | 51,940 | 51,940 | 51,940 | 624,790 | 50,637 | 50,637 | 50,637 |
| 36 | | | | | | | | | | | | | | |
| 37 | Minnesota share - D2 factor | 47.89% | 24,874 | 24,874 | 24,874 | 24,874 | 24,874 | 24,874 | 24,874 | 24,874 | 299,212 | 24,250 | 24,250 | 24,250 |
| 38 | | | | | | | | | | | | | | |

| Line No. | SUPPORTING INFORMATION / DATA | | | | | | | | | | | | | |
|----------|-------------------------------|--|----------------|--|----------------|--|---------------------|--|---------|--|--|--|---------|--|
| 1 | | | | | | | | | | | | | | |
| 2 | | | | | | | | | | | | | | |
| 3 | | | | | | | | | | | | | | |
| 4 | Cost | | WA Cost | | | | Property tax | | | | MN Cap Structure with allowed ROE per order. | | | |
| 5 | 6.33% | | 3.06% | | | | 2016 composite rate | | 2.00% | | Capital Structure | | | |
| 6 | 0.00% | | 0.00% | | | | | | | | Debt | | | |
| 7 | 10.74% | | 5.55% | | | | | | | | Preferred equity | | | |
| 8 | | | 8.61% | | Overall Return | | | | | | Common equity | | | |
| 9 | | | | | | | | | | | Total | | | |
| 10 | | | | | | | | | | | 100.00% | | | |
| 11 | | | | | | | | | | | | | | |
| 12 | | | | | | | | | | | Project life (years) | | | |
| 13 | | | | | | | | | | | Book | | | |
| 14 | | | | | | | | | | | 50 | | | |
| 15 | | | | | | | | | | | | | | |
| 16 | | | | | | | | | | | Statutory Tax Rate | | | |
| 17 | | | | | | | | | | | 41.37% | | | |
| 18 | | | | | | | | | | | Tax conversion factor | | | |
| 19 | | | | | | | | | | | 1.70561 | | | |
| 20 | | | | | | | | | | | Wholesale Revenue Credit | | | |
| 21 | | | | | | | | | | | 0.00% | | | |
| 22 | | | | | | | | | | | MN share - D2 factor | | | |
| 23 | | | | | | | | | | | 47.890% | | | |
| 19 | Deferred Tax | | | | | | | | | | | | | |
| 20 | 7,036 | | 7,036 | | 7,036 | | 7,036 | | 7,036 | | 84,432 | | 7,033 | |
| 21 | 8,866 | | 8,866 | | 8,866 | | 8,866 | | 8,866 | | 106,396 | | 7,956 | |
| 22 | 55,799 | | 55,799 | | 55,799 | | 55,799 | | 55,799 | | 669,592 | | 17,619 | |
| 23 | (578) | | (578) | | (578) | | (578) | | (578) | | (6,934) | | (292) | |
| 24 | (4,779) | | (4,779) | | (4,779) | | (4,779) | | (4,779) | | (57,346) | | (1,038) | |

Otter Tail Power Company
Minnesota Transmission Rider - Revenue Requirements
Ramsey 230/115 kW Transformer Upgrade
Docket No. E017/M-15-

| Line No. | Year>> | 2015 | 2015 | 2015 | 2015 | 2015 | 2015 | 2015 | 2015 | 2015 | 2015 | 2015 | 2015 | 2015 | 2015 | 2015 | 2015 | 2015 | 2015 | 2015 | 2015 | 2015 | 2015 | 2015 | 2015 |
|----------------------------|------------------------------------|----------|----------|----------|----------|----------|----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Projected | Projected | Projected | Projected | Projected | Projected | Projected | Projected | Projected | Projected | Projected | Projected | Projected | Projected | Projected | Projected | Projected |
| | | March | April | May | June | July | August | September | October | November | December | Total | January | February | March | | | | | | | | | | |
| RATE BASE | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | | 406,343 | 406,343 | 406,343 | 406,343 | 406,343 | 406,343 | 406,343 | 406,343 | 406,343 | 406,343 | 406,343 | 406,343 | 406,343 | 406,343 | 406,343 | 406,343 | 406,343 | 406,343 | 406,343 | 406,343 | 406,343 | 406,343 | 406,343 | 406,343 |
| 2 | | (26,648) | (28,058) | (29,469) | (30,879) | (32,290) | (33,701) | (35,111) | (36,522) | (37,933) | (39,343) | (39,343) | (39,343) | (39,343) | (39,343) | (39,343) | (39,343) | (39,343) | (39,343) | (39,343) | (39,343) | (39,343) | (39,343) | (39,343) | (39,343) |
| 3 | | 379,695 | 378,285 | 376,874 | 375,464 | 374,053 | 372,642 | 371,232 | 369,821 | 368,410 | 367,000 | 367,000 | 366,408 | 365,815 | 365,223 | | | | | | | | | | |
| CWIP Calculation: | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| EXPENSES | | | | | | | | | | | | | | | | | | | | | | | | | |
| 15 | O&M and Depreciation | | | | | | | | | | | | | | | | | | | | | | | | |
| 16 | Operating Costs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 17 | Property Tax | 284 | 284 | 284 | 284 | 284 | 284 | 284 | 284 | 284 | 284 | 3,413 | 284 | 284 | 284 | 284 | 284 | 284 | 284 | 284 | 284 | 284 | 284 | 284 | 284 |
| 18 | Book Depreciation | 1,411 | 1,411 | 1,411 | 1,411 | 1,411 | 1,411 | 1,411 | 1,411 | 1,411 | 1,411 | 16,927 | 592 | 592 | 592 | 592 | 592 | 592 | 592 | 592 | 592 | 592 | 592 | 592 | 592 |
| 19 | Total O&M and Depreciation Expense | 1,695 | 1,695 | 1,695 | 1,695 | 1,695 | 1,695 | 1,695 | 1,695 | 1,695 | 1,695 | 20,341 | 877 | 877 | 877 | 877 | 877 | 877 | 877 | 877 | 877 | 877 | 877 | 877 | 877 |
| 21 | Income before Taxes | | | | | | | | | | | | | | | | | | | | | | | | |
| 22 | Available for return (from above) | 1,180 | 1,180 | 1,180 | 1,180 | 1,180 | 1,180 | 1,180 | 1,180 | 1,180 | 1,180 | 14,162 | 1,138 | 1,138 | 1,138 | 1,138 | 1,138 | 1,138 | 1,138 | 1,138 | 1,138 | 1,138 | 1,138 | 1,138 | 1,138 |
| 23 | Taxable Income (grossed up) | 1,7056 | 2,013 | 2,013 | 2,013 | 2,013 | 2,013 | 2,013 | 2,013 | 2,013 | 2,013 | 24,154 | 1,941 | 1,941 | 1,941 | 1,941 | 1,941 | 1,941 | 1,941 | 1,941 | 1,941 | 1,941 | 1,941 | 1,941 | 1,941 |
| 25 | Income Taxes | | | | | | | | | | | | | | | | | | | | | | | | |
| 26 | Current and Def Income Taxes | 41.37% | 833 | 833 | 833 | 833 | 833 | 833 | 833 | 833 | 833 | 9,993 | 803 | 803 | 803 | 803 | 803 | 803 | 803 | 803 | 803 | 803 | 803 | 803 | 803 |
| 27 | Total Income Tax Expense | 833 | 833 | 833 | 833 | 833 | 833 | 833 | 833 | 833 | 833 | 9,993 | 803 | 803 | 803 | 803 | 803 | 803 | 803 | 803 | 803 | 803 | 803 | 803 | 803 |
| REVENUE REQUIRMENTS | | | | | | | | | | | | | | | | | | | | | | | | | |
| 30 | Expenses | 2,528 | 2,528 | 2,528 | 2,528 | 2,528 | 2,528 | 2,528 | 2,528 | 2,528 | 2,528 | 30,333 | 1,680 | 1,680 | 1,680 | 1,680 | 1,680 | 1,680 | 1,680 | 1,680 | 1,680 | 1,680 | 1,680 | 1,680 | 1,680 |
| 31 | Return on rate base | 1,829 | 1,829 | 1,829 | 1,829 | 1,829 | 1,829 | 1,829 | 1,829 | 1,829 | 1,829 | 21,953 | 1,764 | 1,764 | 1,764 | 1,764 | 1,764 | 1,764 | 1,764 | 1,764 | 1,764 | 1,764 | 1,764 | 1,764 | 1,764 |
| 33 | Subtotal revenue requirements | 4,357 | 4,357 | 4,357 | 4,357 | 4,357 | 4,357 | 4,357 | 4,357 | 4,357 | 4,357 | 52,287 | 3,443 | 3,443 | 3,443 | 3,443 | 3,443 | 3,443 | 3,443 | 3,443 | 3,443 | 3,443 | 3,443 | 3,443 | 3,443 |
| 34 | Adjustments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 35 | Wholesale Revenue Credit | (835) | (835) | (835) | (835) | (835) | (835) | (835) | (835) | (835) | (835) | (10,025) | (590) | (590) | (590) | (590) | (590) | (590) | (590) | (590) | (590) | (590) | (590) | (590) | (590) |
| 36 | Total revenue requirements | 3,522 | 3,522 | 3,522 | 3,522 | 3,522 | 3,522 | 3,522 | 3,522 | 3,522 | 3,522 | 42,262 | 2,853 | 2,853 | 2,853 | 2,853 | 2,853 | 2,853 | 2,853 | 2,853 | 2,853 | 2,853 | 2,853 | 2,853 | 2,853 |
| 37 | Minnesota share - D2 factor | 47.89% | 1,687 | 1,687 | 1,687 | 1,687 | 1,687 | 1,687 | 1,687 | 1,687 | 1,687 | 20,239 | 1,366 | 1,366 | 1,366 | 1,366 | 1,366 | 1,366 | 1,366 | 1,366 | 1,366 | 1,366 | 1,366 | 1,366 | 1,366 |

| Line No. | SUPPORTING INFORMATION / DATA | | | | | | | | | | | | | | |
|----------|-------------------------------|--------|---------------|----------------|---------------|---------------------|--------------|-------|-------|------------------|----------------------|--|-------|--|--|
| 1 | ROE per order. | | | | | | | | | | | MN Cap Structure with allowed ROE per order. | | | |
| 2 | Ratio | | Cost | | WA Cost | | Property tax | | | | Capital Structure | | Ratio | | |
| 3 | 48.28% | 6.33% | 3.06% | | | 2015 composite rate | | 0.84% | | Debt | | 48.28% | | | |
| 4 | 0.00% | 0.00% | 0.00% | | | | | | | Preferred equity | | 0.00% | | | |
| 5 | 51.72% | 10.74% | 5.55% | | | | | | | Common equity | | 51.72% | | | |
| 6 | 100.00% | 8.61% | | Overall Return | | | | | | Total | | 100.00% | | | |
| 7 | Book | | Tax | | | | | | | | Project life (years) | | Book | | |
| 8 | 50 | | 15-year MACRS | | | | | | | | 50 | | 50 | | |
| 9 | | | Fed Portion | | State Portion | | | | | | | | | | |
| 10 | | | 41.37% | | 31.57% | | 9.80% | | | | | | | | |
| 11 | | | 1.70561 | | | | | | | | | | | | |
| 12 | | | 19.17% | | | | | | | | | | | | |
| 13 | | | 47.890% | | | | | | | | | | | | |
| 14 | Deferred Tax | | | | | | | | | | | | | | |
| 15 | Book depreciation | | 1,411 | | 1,411 | | 1,411 | | 1,411 | | 16,927 | | 592 | | |
| 16 | Tax depreciation-Federal | | 1,986 | | 1,986 | | 1,986 | | 1,986 | | 23,832 | | 1,789 | | |
| 17 | Tax depreciation-MN | | 5,702 | | 5,702 | | 5,702 | | 5,702 | | 68,429 | | 5,505 | | |
| 18 | Federal deferred income taxes | | (182) | | (182) | | (182) | | (182) | | (2,180) | | (378) | | |
| 19 | State deferred income taxes | | (421) | | (421) | | (421) | | (421) | | (5,047) | | (481) | | |

Otter Tail Power Company
Minnesota Transmission Rider - Revenue Requirements
Ramsey 230/115 kW Transformer Upgrade
Docket No. E017/M-15

| Line No. | Year>> | 2016 Projected April | 2016 Projected May | 2016 Projected June | 2016 Projected July | 2016 Projected August | 2016 Projected September | 2016 Projected October | 2016 Projected November | 2016 Projected December | 2016 Projected Total | 2017 Projected January | 2017 Projected February | 2017 Projected March |
|---------------------------------|--|----------------------|--------------------|---------------------|---------------------|-----------------------|--------------------------|------------------------|-------------------------|-------------------------|----------------------|------------------------|-------------------------|----------------------|
| RATE BASE | | | | | | | | | | | | | | |
| 1 | Plant Balance | 406,343 | 406,343 | 406,343 | 406,343 | 406,343 | 406,343 | 406,343 | 406,343 | 406,343 | 406,343 | 406,343 | 406,343 | 406,343 |
| 2 | Accumulated Depreciation | (41,712) | (42,305) | (42,897) | (43,489) | (44,081) | (44,674) | (45,266) | (45,858) | (46,451) | (46,451) | (47,043) | (47,635) | (48,227) |
| 3 | Net Plant in Service | 364,631 | 364,038 | 363,446 | 362,854 | 362,262 | 361,669 | 361,077 | 360,485 | 359,892 | 359,892 | 359,300 | 358,708 | 358,116 |
| CWIP Calculation: | | | | | | | | | | | | | | |
| | Beginning Balance | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Additional CWIP | | | | | | | | | | 0 | | | |
| | Closings from CWIP AFUDC | | | | | | | | | | | | | |
| 4 | CWIP (Project #104766) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5 | Accumulated Deferred Income Taxes Federal & State | (115,939) | (116,798) | (117,657) | (118,516) | (119,375) | (120,235) | (121,094) | (121,953) | (122,812) | (122,812) | (123,597) | (124,382) | (125,167) |
| 6 | Ending rate base | 248,692 | 247,240 | 245,789 | 244,338 | 242,886 | 241,435 | 239,983 | 238,532 | 237,081 | 237,081 | 235,703 | 234,326 | 232,948 |
| 7 | Average rate base | 20,482 | 20,482 | 20,482 | 20,482 | 20,482 | 20,482 | 20,482 | 20,482 | 20,482 | 245,789 | 19,068 | 19,068 | 19,068 |
| 8 | Return on Rate Base | 1,764 | 1,764 | 1,764 | 1,764 | 1,764 | 1,764 | 1,764 | 1,764 | 1,764 | 21,165 | 1,642 | 1,642 | 1,642 |
| 9 | Available for return (equity portion of rate base) | 1,138 | 1,138 | 1,138 | 1,138 | 1,138 | 1,138 | 1,138 | 1,138 | 1,138 | 13,653 | 1,059 | 1,059 | 1,059 |
| EXPENSES | | | | | | | | | | | | | | |
| O&M and Depreciation | | | | | | | | | | | | | | |
| 16 | Operating Costs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 17 | Property Tax | 284 | 284 | 284 | 284 | 284 | 284 | 284 | 284 | 284 | 3,413 | 284 | 284 | 284 |
| 18 | Book Depreciation | 592 | 592 | 592 | 592 | 592 | 592 | 592 | 592 | 592 | 7,107 | 592 | 592 | 592 |
| 19 | Total O&M and Depreciation Expense | 877 | 877 | 877 | 877 | 877 | 877 | 877 | 877 | 877 | 10,521 | 877 | 877 | 877 |
| 21 | Income before Taxes | 1,138 | 1,138 | 1,138 | 1,138 | 1,138 | 1,138 | 1,138 | 1,138 | 1,138 | 13,653 | 1,059 | 1,059 | 1,059 |
| 22 | Available for return (from above) | 1,138 | 1,138 | 1,138 | 1,138 | 1,138 | 1,138 | 1,138 | 1,138 | 1,138 | 13,653 | 1,059 | 1,059 | 1,059 |
| 23 | Taxable Income (grossed up) | 1,7056 | 1,941 | 1,941 | 1,941 | 1,941 | 1,941 | 1,941 | 1,941 | 1,941 | 23,287 | 1,807 | 1,807 | 1,807 |
| 25 | Income Taxes | | | | | | | | | | | | | |
| 26 | Current and Def Income Taxes | 41.37% | 803 | 803 | 803 | 803 | 803 | 803 | 803 | 803 | 9,634 | 747 | 747 | 747 |
| 27 | Total Income Tax Expense | | 803 | 803 | 803 | 803 | 803 | 803 | 803 | 803 | 9,634 | 747 | 747 | 747 |
| REVENUE REQUIREMENTS | | | | | | | | | | | | | | |
| 31 | Expenses | 1,680 | 1,680 | 1,680 | 1,680 | 1,680 | 1,680 | 1,680 | 1,680 | 1,680 | 20,154 | 1,624 | 1,624 | 1,624 |
| 32 | Return on rate base | 1,764 | 1,764 | 1,764 | 1,764 | 1,764 | 1,764 | 1,764 | 1,764 | 1,764 | 21,165 | 1,642 | 1,642 | 1,642 |
| 33 | Subtotal revenue requirements | 3,443 | 3,443 | 3,443 | 3,443 | 3,443 | 3,443 | 3,443 | 3,443 | 3,443 | 41,319 | 3,266 | 3,266 | 3,266 |
| 34 | Adjustments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 35 | Wholesale Revenue Credit | (590) | (590) | (590) | (590) | (590) | (590) | (590) | (590) | (590) | (7,079) | (560) | (560) | (560) |
| 36 | Total revenue requirements | 2,853 | 2,853 | 2,853 | 2,853 | 2,853 | 2,853 | 2,853 | 2,853 | 2,853 | 34,240 | 2,706 | 2,706 | 2,706 |
| 38 | Minnesota share - D2 factor | 47.89% | 1,366 | 1,366 | 1,366 | 1,366 | 1,366 | 1,366 | 1,366 | 1,366 | 16,397 | 1,296 | 1,296 | 1,296 |

| Line No. | SUPPORTING INFORMATION / DATA | | | | | | | | | | | | | |
|----------|-------------------------------|---------|-------|----------------|-------|--------------|-------|---------------------|-------|-------|--|-------|-------|---------|
| 1 | | | | | | | | | | | MN Cap Structure with allowed ROE per order. | | | |
| 2 | | | | | | | | | | | Capital Structure | | | |
| 3 | | | | | | | | | | | Ratio | | | |
| 4 | Cost | WA Cost | | | | Property tax | | 2016 composite rate | | 0.84% | Debt | | | 48.28% |
| 5 | | 6.33% | 3.06% | | | | | | | | Preferred equity | | | 0.00% |
| 6 | | 0.00% | 0.00% | | | | | | | | Common equity | | | 51.72% |
| 7 | | 10.74% | 5.55% | | | | | | | | Total | | | 100.00% |
| 8 | | 8.61% | | Overall Return | | | | | | | | | | |
| 9 | | | | | | | | | | | Book | | | |
| 10 | | | | | | | | | | | Project life (years) | | | |
| 11 | | | | | | | | | | | 50 | | | |
| 12 | | | | | | | | | | | Statutory Tax Rate | | | |
| 13 | | | | | | | | | | | 41.37% | | | |
| 14 | | | | | | | | | | | Tax conversion factor | | | |
| 15 | | | | | | | | | | | 1.70561 | | | |
| 16 | | | | | | | | | | | Wholesale Revenue Credit | | | |
| 17 | | | | | | | | | | | 17.13% | | | |
| 18 | | | | | | | | | | | MN share - D2 factor | | | |
| 19 | | | | | | | | | | | 47.890% | | | |
| 19 | Book depreciation | 592 | 592 | 592 | 592 | 592 | 592 | 592 | 592 | 592 | 7,107 | 592 | 592 | 592 |
| 20 | Tax depreciation-Federal | 1,789 | 1,789 | 1,789 | 1,789 | 1,789 | 1,789 | 1,789 | 1,789 | 1,789 | 21,462 | 1,610 | 1,610 | 1,610 |
| 21 | Tax depreciation-MN | 5,505 | 5,505 | 5,505 | 5,505 | 5,505 | 5,505 | 5,505 | 5,505 | 5,505 | 66,059 | 5,326 | 5,326 | 5,326 |
| 22 | Federal deferred income taxes | (378) | (378) | (378) | (378) | (378) | (378) | (378) | (378) | (378) | (4,532) | (321) | (321) | (321) |
| 23 | State deferred income taxes | (481) | (481) | (481) | (481) | (481) | (481) | (481) | (481) | (481) | (5,777) | (464) | (464) | (464) |

2016 Attachment O Filing

| Line No. | | | | | Allocated Amount |
|----------|---|-------------------|--------------|--------------------------|------------------|
| 1 | GROSS REVENUE REQUIREMENT (page 3, line 31) | | | | \$37,997,004 |
| | REVENUE CREDITS | (Note T) | Total | Allocator | |
| 2 | Account No. 454 | (page 4, line 34) | 76,025 | TP 1.00000 | 76,025 |
| 3 | Account No. 456.1 | (page 4, line 37) | 6,433,914 | TP 1.00000 | 6,433,914 |
| 4 | Revenues from Grandfathered Interzonal Transactions | | 0 | TP 1.00000 | 0 |
| 5 | Revenues from service provided by the ISO at a discount | | 0 | TP 1.00000 | 0 |
| 6 | TOTAL REVENUE CREDITS (sum lines 2-5) | | | | 6,509,939 |
| 7 | | | | Wholesale Revenue Credit | 17.13% |

2015 Attachment O Filing

| Line No. | | | | | Allocated Amount |
|----------|---|-------------------|--------------|--------------------------|------------------|
| 1 | GROSS REVENUE REQUIREMENT (page 3, line 31) | | | | \$32,774,901 |
| | REVENUE CREDITS | (Note T) | Total | Allocator | |
| 2 | Account No. 454 | (page 4, line 34) | 85,494 | TP 1.00000 | 85,494 |
| 3 | Account No. 456.1 | (page 4, line 37) | 6,198,200 | TP 1.00000 | 6,198,200 |
| 4 | Revenues from Grandfathered Interzonal Transactions | | 0 | TP 1.00000 | 0 |
| 5 | Revenues from service provided by the ISO at a discount | | 0 | TP 1.00000 | 0 |
| 6 | TOTAL REVENUE CREDITS (sum lines 2-5) | | | | 6,283,694 |
| 7 | | | | Wholesale Revenue Credit | 19.17% |

| Line No. | Schedule 37 and 38 Revenues are forecasted within Schedule 26 Revenues by MISO. | 2015 | | | | | | | | | | | | Total Projected |
|----------|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|---------------|---------------|---------------|---------------|-----------------|
| | | Jan Actual | Feb Actual | Mar Actual | Apr Actual | May Actual | Jun Actual | Jul Actual | Aug Actual | Sep Projected | Oct Projected | Nov Projected | Dec Projected | |
| 1 | Total Schedule 26 Revenue | (1,154,568) | (1,303,504) | (1,148,006) | (1,201,455) | (1,020,410) | (1,192,129) | (1,292,791) | (1,508,096) | (1,036,179) | (1,005,978) | (1,094,708) | (938,588) | (13,896,412) |
| 2 | Total Schedule 26 Revenue Less 37 & 38 Re | (1,154,568) | (1,303,504) | (1,148,006) | (1,201,455) | (1,020,410) | (1,192,129) | (1,292,791) | (1,508,096) | (1,010,437) | (980,986) | (1,067,511) | (915,270) | (13,795,162) |
| 3 | | | | | | | | | | | | | | |
| 4 | Fargo 72.50% | (773,699) | (945,093) | (832,350) | (871,103) | (739,838) | (864,341) | (937,325) | (1,093,430) | (732,607) | (711,254) | (773,988) | (663,607) | (9,938,636) |
| 5 | Bemidji 13.98% | (101,406) | (182,256) | (160,514) | (167,987) | (142,674) | (166,683) | (180,758) | (210,862) | (141,279) | (137,161) | (149,259) | (127,973) | (1,868,814) |
| 6 | Cass Lake - Bemdji 5.87% | (168,076) | (73,141) | (63,519) | (67,692) | (58,498) | (68,485) | (74,035) | (83,220) | (79,782) | (74,589) | (60,863) | (65,683) | (937,583) |
| 7 | | | | | | | | | | | | | | |
| 8 | Schedule 26 Revenue | (1,043,180) | (1,200,490) | (1,056,383) | (1,106,782) | (941,010) | (1,099,510) | (1,192,118) | (1,387,513) | (953,668) | (923,005) | (984,111) | (857,263) | (12,745,032) |
| 9 | | | | | | | | | | | | | | |
| 10 | Minnesota Share 47.89% | (499,579) | (574,915) | (505,902) | (530,038) | (450,649) | (526,555) | (570,905) | (664,480) | (456,712) | (442,027) | (471,291) | (410,543) | (6,103,596) |
| 11 | | | | | | | | | | | | | | |
| 12 | | | | | | | | | | | | | | |
| 13 | Schedule 37 1.11% | (13,217) | (14,422) | (14,422) | (14,422) | (14,422) | (14,422) | (14,489) | (14,489) | (10,622) | (10,313) | (11,222) | (9,622) | (156,084) |
| 14 | Schedule 38 1.58% | (19,445) | (19,833) | (19,833) | (19,833) | (19,833) | (19,833) | (19,535) | (19,535) | (15,120) | (14,679) | (15,974) | (13,696) | (217,149) |
| 15 | | | | | | | | | | | | | | |
| 16 | Schedule 37 & 38 Revenue | (32,662) | (34,255) | (34,255) | (34,255) | (34,255) | (34,255) | (34,024) | (34,024) | (25,743) | (24,992) | (27,197) | (23,318) | (373,233) |
| 17 | | | | | | | | | | | | | | |
| 18 | Minnesota Share 47.89% | (15,642) | (16,405) | (16,405) | (16,405) | (16,405) | (16,405) | (16,294) | (16,294) | (12,328) | (11,969) | (13,024) | (11,167) | (178,741) |

| Line No. | Schedule 37 and 38 Revenues are forecasted within Schedule 26 Revenues by MISO. | 2016 | | | | | | | | | | | | Total Projected |
|----------|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|
| | | Jan Projected | Feb Projected | Mar Projected | Apr Projected | May Projected | Jun Projected | Jul Projected | Aug Projected | Sep Projected | Oct Projected | Nov Projected | Dec Projected | |
| 1 | Total Schedule 26 Revenue | (1,589,460) | (1,484,260) | (1,414,126) | (1,168,658) | (1,361,526) | (1,606,994) | (1,677,127) | (1,677,127) | (1,624,527) | (1,273,859) | (1,414,126) | (1,343,992) | (17,635,781) |
| 2 | Total Schedule 26 Revenue Less 37 & 38 Re | (1,550,662) | (1,448,030) | (1,379,608) | (1,140,132) | (1,328,292) | (1,567,768) | (1,636,190) | (1,636,190) | (1,584,873) | (1,242,765) | (1,379,608) | (1,311,186) | (17,205,303) |
| 3 | | | | | | | | | | | | | | |
| 4 | Fargo 68.85% | (1,124,292) | (996,896) | (949,791) | (784,924) | (914,462) | (1,079,330) | (1,126,435) | (1,126,435) | (1,091,106) | (855,581) | (949,791) | (902,686) | (11,901,730) |
| 5 | Bemidji 15.78% | (216,814) | (228,543) | (217,744) | (179,947) | (209,644) | (247,441) | (258,240) | (258,240) | (250,141) | (196,146) | (217,744) | (206,945) | (2,687,586) |
| 6 | Cass Lake - Bemdji 6.11% | (62,825) | (76,169) | (66,148) | (70,494) | (60,920) | (71,320) | (77,100) | (86,666) | (83,085) | (77,677) | (63,383) | (68,402) | (864,188) |
| 7 | | | | | | | | | | | | | | |
| 8 | Schedule 26 Revenue | (1,341,106) | (1,225,439) | (1,167,535) | (964,871) | (1,124,107) | (1,326,771) | (1,384,675) | (1,384,675) | (1,341,247) | (1,051,727) | (1,167,535) | (1,109,631) | (14,589,315) |
| 9 | | | | | | | | | | | | | | |
| 10 | Minnesota Share 47.89% | (642,256) | (586,863) | (559,132) | (462,077) | (538,335) | (635,390) | (663,121) | (663,121) | (642,323) | (503,672) | (559,132) | (531,402) | (6,986,823) |
| 11 | | | | | | | | | | | | | | |
| 12 | | | | | | | | | | | | | | |
| 13 | Schedule 37 1.11% | (16,009) | (14,950) | (14,243) | (11,771) | (13,714) | (16,186) | (16,892) | (16,892) | (16,363) | (12,831) | (14,243) | (13,537) | (177,632) |
| 14 | Schedule 38 1.58% | (22,788) | (21,280) | (20,274) | (16,755) | (19,520) | (23,040) | (24,045) | (24,045) | (23,291) | (18,263) | (20,274) | (19,269) | (252,846) |
| 15 | | | | | | | | | | | | | | |
| 16 | Schedule 37 & 38 Revenue | (38,798) | (36,230) | (34,518) | (28,526) | (33,234) | (39,226) | (40,938) | (40,938) | (39,654) | (31,094) | (34,518) | (32,806) | (430,478) |
| 17 | | | | | | | | | | | | | | |
| 18 | Minnesota Share 47.89% | (18,580) | (17,350) | (16,531) | (13,661) | (15,916) | (18,785) | (19,605) | (19,605) | (18,990) | (14,891) | (16,531) | (15,711) | (206,156) |



Fergus Falls, Minnesota

TRANSMISSION COST RECOVERY RIDER

| DESCRIPTION | RATE CODE |
|-----------------------|-----------|
| Large General Service | 31-510 |
| Controlled Service | 31-511 |
| Lighting | 31-512 |
| All Other Service | 31-513 |

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

AVAILABILITY: This rider is available to any 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 Transmission 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.

RATE:

| TRANSMISSION COST RECOVERY | | | |
|------------------------------|-----|------------------------------|--------------------------|
| Energy Charge per kWh: | | kWh | kW |
| Large General Service | (a) | N/A ¢/kWh | \$2.058 1.444 |
| Controlled Service | (b) | 0.122 0.072 ¢/kWh | N/A |
| Lighting | (c) | 0.42 0.319 ¢/kWh | N/A |
| All Other Service | | 0.643 0.464 ¢/kWh | N/A |

(a) Rate schedules 10.04 Large General Service, 10.05 Large General Service – Time of Day, 14.02 Real Time Pricing Rider and 14.03 Large General Service Rider.
 (b) Rate Schedules 14.01 Water Heating, 14.04 Interruptible Load (CT Metering), 14.05 Interruptible Load (Self-Contained Metering), 14.06 Deferred Load, and 14.07 Fixed Time of Service
 (c) Rate Schedules 11.03 Outdoor Lighting (Energy only) and 11.04 Outdoor Lighting

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Fergus Falls, Minnesota

TRANSMISSION COST RECOVERY RIDER

| DESCRIPTION | RATE CODE |
|-----------------------|-----------|
| Large General Service | 31-510 |
| Controlled Service | 31-511 |
| Lighting | 31-512 |
| All Other Service | 31-513 |

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

AVAILABILITY: This rider is available to any 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 Transmission 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.

RATE:

| TRANSMISSION COST RECOVERY | | | |
|-----------------------------------|------------|-------------|---------|
| Energy Charge per kWh: | | kWh | kW |
| Large General Service | (a) | N/A ¢/kWh | \$1.444 |
| Controlled Service | (b) | 0.072 ¢/kWh | N/A |
| Lighting | (c) | 0.319 ¢/kWh | N/A |
| All Other Service | | 0.464 ¢/kWh | N/A |

(a) Rate schedules 10.04 Large General Service, 10.05 Large General Service – Time of Day, 14.02 Real Time Pricing Rider and 14.03 Large General Service Rider.
 (b) Rate Schedules 14.01 Water Heating, 14.04 Interruptible Load (CT Metering), 14.05 Interruptible Load (Self-Contained Metering), 14.06 Deferred Load, and 14.07 Fixed Time of Service
 (c) Rate Schedules 11.03 Outdoor Lighting (Energy only) and 11.04 Outdoor Lighting

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Customers notice

The Minnesota Public Utilities Commission has approved an adjustment to the Transmission Cost Recovery Rider that is part of the Resource Adjustment on your monthly electric service statement. This rider recovers costs associated with transmission projects that help to ensure we can continue to provide you with safe and reliable service. The table below shows the prior and new rates, beginning April 1, 2016, for all classes of customers. A residential customer who uses 1,000 kwh per month will see a bill decrease of \$1.79.

| Class | Prior Rate | April 1, 2016 Rate |
|-----------------------|--------------------|--------------------|
| Large General Service | \$ 2.058 per kW | \$ 1.444 per kW |
| Controlled Service | \$ 0.00122 per kWh | \$ 0.00072 per kWh |
| Lighting | \$ 0.00420 per kWh | \$ 0.00319 per kWh |
| All Other Service | \$ 0.00643 per kWh | \$ 0.00464 per kWh |

For more information contact Customer Service at 800-257-4044 or place an inquiry from our website at www.otpco.com.

CERTIFICATE OF SERVICE

**RE: In the Matter of the Petition of Otter Tail Power Company for
Approval of a Transmission Cost Recovery Rider Annual Adjustment
MPUC Docket No. E017/M-15-___**

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

**Otter Tail Power Company
Initial Filing**

Dated this **30th** day of **September 2015**.

/S/ NANCY L. OLSON
Nancy L. Olson, Regulatory Filing Coordinator
Otter Tail Power Company
215 South Cascade Street
Fergus Falls MN 56537
(218) 739-8376

| First Name | Last Name | Email | Company Name | Address | Delivery Method | View Trade Secret | Service List Name |
|-------------|------------|------------------------------|------------------------------------|--|--------------------|-------------------|--|
| Christopher | Anderson | canderson@allete.com | Minnesota Power | 30 W Superior St Duluth, MN 558022191 | Electronic Service | No | GEN_SL_Otter Tail Power Company_General Service List - Tariff Filing |
| Michael | Bradley | mike.bradley@lawmoss.com | Moss & Barnett | 150 S. 5th Street, #1200 Minneapolis, MN 55402 | Electronic Service | No | GEN_SL_Otter Tail Power Company_General Service List - Tariff Filing |
| 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_General Service List - Tariff Filing |
| 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_General Service List - Tariff Filing |
| Sharon | Ferguson | sharon.ferguson@state.mn.us | Department of Commerce | 85 7th Place E Ste 500 Saint Paul, MN 551012198 | Electronic Service | No | GEN_SL_Otter Tail Power Company_General Service List - Tariff Filing |
| Bruce | Gerhardson | bgerhardson@otpc.com | Otter Tail Power Company | PO Box 496 215 S Cascade St Fergus Falls, MN 565380496 | Electronic Service | No | GEN_SL_Otter Tail Power Company_General Service List - Tariff Filing |
| Shane | Henriksen | shane.henriksen@enbridge.com | Enbridge Energy Company, Inc. | 1409 Hammond Ave FL 2 Superior, WI 54880 | Electronic Service | No | GEN_SL_Otter Tail Power Company_General Service List - Tariff Filing |
| 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_General Service List - Tariff Filing |
| Douglas | Larson | dlarson@dakotaelectric.com | Dakota Electric Association | 4300 220th St W Farmington, MN 55024 | Electronic Service | No | GEN_SL_Otter Tail Power Company_General Service List - Tariff Filing |
| John | Lindell | agorud.ecf@ag.state.mn.us | Office of the Attorney General-RUD | 1400 BRM Tower 445 Minnesota St St. Paul, MN 551012130 | Electronic Service | No | GEN_SL_Otter Tail Power Company_General Service List - Tariff Filing |
| Kavita | Maini | kmairi@wi.rr.com | KM Energy Consulting LLC | 961 N Lost Woods Rd Oconomowoc, WI 53066 | Electronic Service | No | GEN_SL_Otter Tail Power Company_General Service List - Tariff Filing |

| First Name | Last Name | Email | Company Name | Address | Delivery Method | View Trade Secret | Service List Name |
|------------|------------|------------------------|-----------------------------|--|--------------------|-------------------|--|
| Andrew | Moratzka | apmoratzka@stoel.com | Stoel Rives LLP | 33 South Sixth Street Suite 4200 Minneapolis, MN 55402 | Electronic Service | No | GEN_SL_Otter Tail Power Company_General Service List - Tariff Filing |
| Gary | Oetken | goetken@agp.com | Ag Processing, Inc. | 12700 West Dodge Road P.O. Box 2047 Omaha, NE 681032047 | Electronic Service | No | GEN_SL_Otter Tail Power Company_General Service List - Tariff Filing |
| David G. | Prazak | dprazak@otpc.com | Otter Tail Power Company | P.O. Box 496 215 South Cascade Street Fergus Falls, MN 565380496 | Electronic Service | No | GEN_SL_Otter Tail Power Company_General Service List - Tariff Filing |
| Larry L. | Schedin | Larry@LLSResources.com | LLS Resources, LLC | 12 S 6th St Ste 1137 Minneapolis, MN 55402 | Electronic Service | No | GEN_SL_Otter Tail Power Company_General Service List - Tariff Filing |
| 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_General Service List - Tariff Filing |
| Daniel P | Wolf | dan.wolf@state.mn.us | Public Utilities Commission | 121 7th Place East Suite 350 St. Paul, MN 551012147 | Electronic Service | No | GEN_SL_Otter Tail Power Company_General Service List - Tariff Filing |