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May 1, 2014

Dr. Burl W. Haar
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-14-___**

Dear Dr. Haar:

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-Residential 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 218-739-8279 or at stommerdahl@otpc.com.

Sincerely,

/s/ Stuart Tommerdahl
Stuart Tommerdahl, Manager
Regulatory Administration

jce
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-14-___

PETITION

Summary of Filing

Pursuant to Minn. Stat. §§216B.16, subd. 7b and 216.1645, Otter Tail Power Company (“OTP”) submits this Petition to the Minnesota Public Utilities Commission (“Commission”) for approval of OTP’s Transmission Cost Recovery Rider Annual Update including the proposed 2014 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-14-___

PETITION

I. INTRODUCTION

Otter Tail Power Company (“OTP” or “Company”) hereby petitions the Minnesota Public Utilities Commission (“Commission”) for an Order approving the 2014 annual adjustment to OTP’s Transmission Cost Recovery Rider (“TCRR”). The Petition is filed pursuant to OTP’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 third update requested for the TCRR and includes updates only 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”), and E017/M-13-103 (“13-103”).

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 May 1, 2014. OTP proposes the TCRR rates become effective July 1, 2014, 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 OTP'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))

Stuart Tommerdahl
Manager, Regulatory Administration
Otter Tail Power Company
215 South Cascade Street
Fergus Falls, Minnesota 56538-0496
(218) 739-8279
stommerdahl@otpc.com

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

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

G. Service list

Pursuant to Minn. Rule 7829.0700, OTP 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 OTP:

Stuart Tommerdahl
Manager, Regulatory Administration
Otter Tail Power Company
215 South Cascade Street
Fergus Falls, Minnesota, 56538-0496
(218) 739-8279
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Bruce Gerhardson
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H. Service on other parties

Pursuant to Minn. Rule 7829.1300, subp. 2, OTP has served a copy of this Petition on the Office of Energy Security of the Department of Commerce and the Residential Utilities Division of the Office of the Attorney General. A summary of the filing prepared in accordance with Minn. Rule 7829.1300, subp. 1 was served on all parties on OTP'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 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 OTP'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, OTP 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. In OTP's compliance filing in Docket 13-103, OTP requested that no update to rates be implemented due to the timing of this Petition. In this Petition, OTP is seeking to implement new rates based on updated investment, expense and revenue collections that have occurred in the TCRR since the initial filing of Docket 13-103 and as accounted for in accordance with the framework that has been Ordered by the Commission in OTP's prior TCRR Dockets.

No new projects are being added to the TCRR in this Petition. As noted earlier, the proposed rates in this Petition reflect only changes to the existing projects, expenses and revenues

currently approved for inclusion within OTP's TCRR. The TCRR framework incorporates all prior Commission Orders including the Order recently issued in Docket 13-103.

B. Projects previously approved for recovery in OTP's TCRR

The following projects were previously approved by the Commission for inclusion in OTP's TCRR.

- 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

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

C. Projects not previously included in OTP'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 \$7,121,429 TCRR revenue requirement that has been calculated for the recovery period of July 1, 2014 to June 30, 2015. This revenue requirement includes an under-recovery true-up of \$2,003,884 based on updated available actual information for the April 2012 through March 2014 recovery period, and projected investment, expense, and recovery information from April 2014 through June 2014. This large true-up balance is due in part to current rates having been in place since April 2012 without an adjustment and partially due to increased capital investment in transmission projects, specifically the CAPX2020 projects. The revenue requirement for the July 2014 to June 2015 recovery period is \$5,117,544 as noted on Attachment 4, page 2 of 3, line 19.

OTP proposes that the TCRR continue to be applicable to electric service under all of OTP'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	\$1.458
Controlled Service	0.069¢	N/A
Lighting	0.292¢	N/A
All other service	0.434¢	N/A

The following table shows the estimated monthly rate impact by retail customer class.

Rate Impact						
	Customers	Average kW/kWh	Current Rate	Proposed Rate	Change in Rate	Bill Impact
Large General Service (kW)	569	327	\$0.391	1.458	1.066	\$348.74
Controlled Service (kWh)	16,837	905	0.019 ¢	0.069	0.050	\$0.46
Lighting (kWh)	2,686	609	0.085 ¢	0.292	0.207	\$1.26
All Other Service (kWh)	61,931	1,142	0.126 ¢	0.434	0.308	\$3.51

The above rates are based on the assumption that they will be in effect from July 1, 2014 to June 30, 2015. If the effective date is more than 45 days later than July 1, 2014, OTP requests that it be allowed to recalculate the TCRR rates in order to recover all approved costs in the remainder of the recovery period.

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 OTP'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 both the Commission's March 26, 2012 Order approving OTP's last TCRR update in Docket 10-1061 and the Commission's March 10, 2014 Order for included costs and calculations in Docket 13-103. While the effective date of the Order in Docket 13-103 was March 10, 2014, for administrative simplicity, OTP incorporated the changes contemplated in that Order beginning March 1, 2014.

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 beginning in March 2014 as reflected in Attachment 4 line 24.
- 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. In Docket 13-103, the Commission Ordered OTP to cap the CAPX2020 Bemidji Project ("Bemidji Project") at \$74 million for purposes of TCRR recovery, as well as remove all Internal Costs from the TCRR. The following explains how these adjustments are handled in the TCRR beginning in March 2014.
 - a) Capping Investment in the Bemidji Project:
Ordering Paragraph Number 3 in Docket 13-103 required the cost of the Bemidji Project for purposes of TCR rider recovery be capped at \$74 million (Total project cost). OTP's investment in the Bemidji Project is 20 percent. Therefore, OTP's capped investment amount

is \$14.8 million (“Cap”). OTP’s total investment in the Bemidji Project is the total of the project costs reflected in Attachment 6 (Bemidji-Grand Rapids) and Attachment 7 (Cass Lake – Bemidji). OTP’s total cost for the Bemidji Project as of February 2014 was \$23,335,041. To reach the Cap under Ordering Paragraph Number 3, \$8,535,041 of cost has been removed from the two projects. Minnesota’s share of these reductions is 47.89%.

The reduction of costs to reach the Cap is reflected in the March 2014 balances in Attachments 6 and 7. Attachment 4a provides a reconciliation of the Bemidji Project balances before and after costs were removed to reach the Cap amount required by Ordering Paragraph Number 3. The following provides further explanation of Attachment 4a:

- i) Lines 1-3 show the balances as of February and March 2014 for the two projects which collectively make up the Bemidji Project, and upon which the Cap applies (System basis).
- ii) Lines 5-7 show the computation of the Otter Tail Cap (System basis).
- iii) Lines 12 - 16 show the costs removed from each of the Bemidji and Cass Lake projects. Line 16 reflects the balance of each project after the cost reductions. The total balance at the Cap (\$14.8 million) is reflected in Column C of line 16. Note that a portion of the costs removed to reach the Cap amount were internal costs, as reflected on line 14. The remaining internal costs were removed below the Cap amount. Further detail on Otter Tail’s methodology to remove all internal costs is provided in the next section.

b) Removing Internal Costs:

Per Ordering Paragraph 4 in Docket 13-103, internal costs for each project were to be removed from the TCRR beginning in March 2014. Removing internal costs resulted in a decreased CWIP and/or decreased net plant balance for projects which this adjustment was applied. The table below reflects the actual internal costs (System and MN Share) that were in the TCRR through February 2014, and removed from the TCRR beginning March 2014.

Project	Total Internal Capitalized Costs (System Total)	MN Share of Internal Capitalized Costs (47.89%)
Fargo – Monticello	\$639,887	\$306,442
Bemidji-Grand Rapids & Cass Lake	\$3,168,085	\$1,517,196
Brookings - Hampton	\$187,647	\$89,864
Ramsey	\$0	\$0
Total	\$3,995,618	\$1,913,502

The following will provide details on the removal of internal costs from the projects listed in the table above:

Bemidji Project

Attachment 4a provides detail on the removal of Internal Costs from the Bemidji Project. Total Internal costs for the Bemidji Project were \$3,168,085 (OTP System Basis). Per Order 13-103, costs were capped on the Bemidji Project. Internal costs are assumed to have been incurred equally throughout the Bemidji Project. Ordering Paragraph Number 3 required 36.477% (\$14.8 million/(\$23,298,824¹)) of total Otter Tail costs to be removed from the TCRR. OTP has assumed that 36.477% of internal costs were included as part of the reduction in costs to reach the Cap. Line 14 of Attachment 4a shows \$1,155,637 of internal costs as part of the cost reductions made to reach the Cap.

The removal of the remaining \$2,012,447 of internal costs is reflected on line 17 of Attachment 4a. The total plant in service balance for the Bemidji and Cass Lake projects as of March 2014 is \$12,787,553 as reflected on line 18 of Attachment 4a. Balances for March 2014 on line 1 and line 4 of page 5 of 6 in Attachments 6 and 7 reflect the totals identified on line 18, columns A and B of Attachment 4a. Minnesota's share of these amounts is 47.89%.

This two part reduction in response to Order Paragraph Number 3 and Order Paragraph Number 4 of Docket 13-103 effectively removed 100% of internal costs incurred by OTP for the Bemidji Project.

Fargo-Monticello Project

Attachment 4b provides a reconciliation of the Fargo-Monticello project Plant in Service balances from February 2014 to March 2014 found in Attachment 5. Project balances include both Plant in Service and CWIP amounts. Lines 7-10 provide the details of the change in balances from February 2014 to March 2014. Line 8 of Attachment 4b reflects the \$639,887 (System) of internal costs which were removed and accounted for in the reconciliation.

Brookings – Hampton Project

Attachment 4c provides a reconciliation of the Brookings – Hampton project Plant in Service balances from February 2014 to March 2014 found in Attachment 8, similar to the reconciliation provide on the Fargo-Monticello Project in Attachment 4b. Line 8 of Attachment 4c reflects the \$187,647 (System) of internal costs which were removed.

For those projects in the TCRR still under construction which OTP anticipates incurring internal costs on, the forecasted CWIP balances have been reduced by the following percentages to remove an amount of costs from those project forecasts that is consistent with the actual internal cost to total cost ratios for those projects through 2013.

Fargo – Monticello Project	1.18%
Brookings – Hampton Project	1.07%

¹ Ending February 2014 balance of \$23,335,041 less CWIP adjustment for March in the amount of (\$36,217)

- 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 OTP's most recent general rate case (Docket No. E017/GR-10-239).
- 6) *Depreciation expense.* Depreciation expense is calculated using the Company's latest transmission composite depreciation rate.
- 7) *Property taxes.* The property tax calculation is based on OTP'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) *O&M expense.* Annual operation and maintenance (O&M) expense of the transmission lines typically includes costs related to line patrol and inspections, vegetation management, small repair items, storm restoration, and supervision of this work. Scheduled transmission line patrols are typically done once every other year on single pole 115 kV lines. Unscheduled patrols are completed for line sections where an unexplained interruption has occurred. To reduce costs of patrol after an interruption, data from protective relays is used to limit the patrol area. Vegetation management of new lines is typically limited for the first five years, since OTP's construction standard is to remove as many trees as possible and leave low growing brush. After five years, vegetation management is completed based on information gathered during line patrols. 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. OTP has set up transmission O&M accounting projects to track O&M costs specifically related to each line included in the TCRR.
- 9) *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 OTP's costs for OTP's TCRR eligible projects and other utilities' projects that qualify for regional cost allocation through MISO's Tariff.
- 10) *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 OTP's share of the revenues derived for OTP's investments in projects included in OTP's TCRR that qualify for regional cost allocation through MISO's tariff. All Schedule 26 and 26A revenues associated with projects included in the TCRR are included per the Commission's Order in Docket 13-103.
- 11) *Revenue credit for MISO tariff Schedules 37 and 38* (Attachment 12). 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 OTP'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 OTP’s allocation of payments from Duke-Ohio (“DEO”) and Duke-Kentucky (“DEK”) that departed MISO on December 31, 2011, yet 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, OTP 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 2 of 2, line 1 of this compliance filing, shows total actual Schedule 26 revenues through March 2014. Lines 13 and 14 reflect actual Schedule 37 and 38 revenues received by Otter Tail through March 2014. Beginning April 2014, 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.

F. Allocations and rate design

The allocations and rate design for this annual rider update are the same as approved by the Commission in the March 26, 2012, TCRR Update Order. Specifically, the class allocations use the transmission demand allocation factor, D2, from OTP’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 OTP's proposed TCRR Rate Schedule is included in Attachment 14 to this Petition.

H. Revisions to other rate schedules

There are no changes to any other rate schedules.

I. Notice to customers

Attachment 15 is a proposed notice to customers that would 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 2014 Transmission Factor as set forth in this Petition.

Dated: May 1, 2014

Respectfully Submitted,

OTTER TAIL POWER COMPANY

By: /s/ STUART TOMMERDAHL
Stuart Tommerdahl
Manager, Regulatory Administration
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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	Fargo-Monticello Line Revenue Requirements Calculation
Attachment 6	Bemidji-Grand Rapids Line Revenue Requirements Calculation
Attachment 7	Cass Lake-Bemidji Line Revenue Requirements Calculation
Attachment 8	Brookings, SD-Hampton, MN Line Revenue Requirements Calculation
Attachment 9	Ramsey 230/115 kW Transformer Upgrade Revenue Requirements Calculation
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	Transmission Rider (redline and clean)
Attachment 15	Notice to Customers

Projected Revenue for 2014

Line No.	Class		Units	Rate per Unit	Amount
1	Large General Service	(a)	2,234,677 kW	\$1.458	\$3,257,455
2					
3	Controlled Service	(b)	182,925,207 kWh	0.069¢	\$126,734
4					
5	Lighting	(c)	19,620,157 kWh	0.292¢	\$57,345
6					
7	All other service		848,518,877 kWh	0.434¢	\$3,679,894
8					
9	Total revenue				<u>\$7,121,429</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

Line No.	Revenue Requirements	July 2014 - June 2015
1	CAPX 2020 Fargo	\$5,275,631
2	CAPX 2020 Bemidji	\$447,497
3	CAPX 2020 Cass Lake - Bemidji	\$329,142
4	CAPX 2020 Brookings	\$1,615,638
5	Ramsey 230/115 kW Transformer Upgrade	\$27,481
6		
7	Schedule 26 Expense	5,978,798
8	Schedule 26A Expense	1,002,418
9		
10	Schedule 26 Revenue	(7,288,323)
11	Schedule 37 & 38 Revenue	(255,623)
12	Schedule 26A Revenue	(2,015,113)
13		
14	Carrying Cost (ended February 2014 per Order)	0
15	Tracker Balance on June 30, 2014 (over-recovery)/under-recovery	2,003,884
16		
17	Total	<u>\$7,121,429</u>

Class Allocation and Current Rate Design

Line No.		2014 Annual Filing	
		July 1, 2014 - June 30, 2015	
1	Total Minnesota Revenue Requirements		\$7,121,429 *
2	Large General Service	45.74%	\$3,257,455
3	Controlled Service	1.78%	126,734
4	Lighting	0.81%	57,345
5	All Other Service	51.67%	3,679,894
6	Total		\$7,121,429
7	Large General Service	kW	2,234,677
8	Controlled Service	kWh	182,925,207
9	Lighting	kWh	19,620,157
10	All Other Service	kWh	848,518,877
11	Large General Service	\$ / kW	1.458
12	Controlled Service	cents / kWh	0.069
13	Lighting	cents / kWh	0.292
14	All Other Service	cents / kWh	0.434

* 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 July 2014-June 2015						\$ 154,142,880	
16	Revenue Requirement						\$7,121,429	
17	Percent of revenue rate for MN TCRR						4.62002%	
		A	B	C	D	E	F	G
		Forecast Base Revenue July 2014-June 2015	# 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 <u>Current Rate Design</u> (2)
18	Large General Service	\$69,374,161	569	\$10,152	\$469.01	327		\$476.66
19	Controlled Service	\$8,859,001	16,837	\$44	\$2.03		905	\$0.63
20	Lighting	\$2,629,721	2,686	\$82	\$3.77		609	\$1.78
21	All Other Service	\$73,279,997	61,931	\$99	\$4.56		1,142	\$4.95
22	Total	\$154,142,880						
(1) Percent of Revenue Rate of 4.62002% 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:	2013									2014				Recovery Period Ending
		May Actual	June Actual	July Actual	August Actual	September Actual	October Actual	November Actual	December Actual	YE Actual	January Actual	February Actual	March Actual*	April Projected	
1	Revenue Requirements														
1	CAPX 2020 Fargo	215,690	215,690	215,690	215,690	215,690	215,690	215,210	238,818	2,610,925	413,330	414,383	378,548	375,674	3,330,101
2	CAPX 2020 Bemidji	87,155	87,155	87,155	87,155	87,155	87,155	87,155	112,237	1,070,946	77,409	78,011	55,270	46,076	979,090
3	CAPX 2020 Cass Lake - Bemidji	39,404	39,404	39,404	39,391	39,360	39,360	39,360	39,360	470,135	30,770	30,770	30,770	29,463	436,815
4	CAPX 2020 Brookings	63,630	63,630	63,630	63,630	63,630	63,630	63,630	63,630	763,565	109,748	109,748	109,748	120,054	958,343
5	Ramsey 230/115 kW Transformer Upgrade	2,469	2,469	2,240	2,167	2,167	2,167	2,167	2,167	27,892	2,333	2,333	2,333	2,333	27,346
6	Total Revenue Requirements	408,349	408,349	408,119	408,034	408,002	408,002	407,523	456,212	4,943,463	633,590	635,245	576,669	573,601	5,731,695
7															
8	MISO Expenses														
9	MISO Schedule 26 Expense	339,575	301,556	358,709	374,604	383,499	361,674	355,287	382,322	4,410,626	453,445	568,705	519,261	481,172	4,879,809
10	MISO Schedule 26A Expense	18,071	21,860	27,584	33,062	29,469	24,482	32,220	34,679	298,572	39,096	92,364	80,201	54,240	487,327
11	Total MISO Expenses	357,645	323,415	386,293	407,666	412,969	386,156	387,507	417,001	4,709,198	492,541	661,070	599,461	535,411	5,367,136
12															
13	MISO Revenues														
14	MISO Schedule 26 Revenue	(416,210)	(483,506)	(546,414)	(643,846)	(623,513)	(591,919)	(458,036)	(449,013)	(5,928,906)	(504,891)	(545,991)	(474,160)	(586,261)	(6,323,759)
15	MISO Schedule 37 & 38 Revenue	(14,062)	(14,062)	(14,500)	(14,501)	(14,501)	(14,501)	(14,501)	(14,500)	(167,237)	(14,500)	(14,849)	(14,849)	(20,261)	(179,585)
16	MISO Schedule 26A Revenue	(61,640)	(69,606)	(76,567)	(90,635)	(78,761)	(67,233)	(65,372)	(65,963)	(803,420)	(71,394)	(124,370)	(111,680)	(117,935)	(1,001,155)
17	Total MISO Revenues	(491,912)	(567,174)	(637,481)	(748,982)	(716,774)	(673,653)	(537,908)	(529,476)	(6,899,563)	(590,785)	(685,210)	(600,689)	(724,456)	(7,504,500)
18															
19	Net Revenue Requirement	274,083	164,590	156,931	66,717	104,197	120,506	257,121	343,737	2,753,098	535,346	611,105	575,441	384,556	3,594,331
20															
21	Billed (forecast kWh x adj factor)	157,284	150,468	166,468	165,594	170,215	154,966	173,889	192,450	2,068,544	212,065	203,811	188,171	175,130	2,110,512
22															
23	Monthly Revenue Difference	116,798	14,122	(9,537)	(98,877)	(66,018)	(34,460)	83,232	151,287	684,555	323,281	407,294	387,270	209,426	1,483,819
24	Carrying Charge	366	1,206	1,316	1,257	557	87	(160)	437	(2,739)	1,525	3,856	0	0	0
25	Life-to-Date Revenue Requirement (Cumulative Difference)	168,104	183,433	175,212	77,592	12,131	(22,242)	60,831	212,554	681,816	537,361	948,511	1,335,781	1,545,207	1,483,819
26															
27	Carrying Charge Calculation	1,206	1,316	1,257	557	87	(160)	437	1,525		3,856	0	0	0	
28	Cumulative Carrying Charge	39,396	40,712	41,969	42,526	42,613	42,453	42,890	44,415		48,271	48,271	0	0	
29	Carrying cost	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%		8.61%	0.00%	0.00%	0.00%	
30															
31															
32	Forecasted Sales (MWh)												192,865	175,706	368,571

*March 2014 Project Revenue Requirements are Projected

Rate Not Implemented E017/M-13-103	
SUMMARY	May 2013 - April 2014
Revenue requirements	\$3,594,331
Carrying Charge	0
2012-2013 True-up	50,940
Total requirements	\$3,645,272
May 2013 - February 2014 Actual Sales	1,747,211
March 2014 - April 2014 projected sales in mWh	368,571
Average Rate	\$0.00172

Line No.	TRACKER SUMMARY Requirements Compared to Billed:	2015														Recovery Period Ending
		May Projected	June Projected	July Projected	August Projected	September Projected	October Projected	November Projected	December Projected	YE Projected	January Projected	February Projected	March Projected	April Projected	May Projected	
1	Revenue Requirements															
1	CAPX 2020 Fargo	375,706	396,038	396,360	396,736	396,786	396,818	396,921	396,968	4,734,269	476,513	476,513	476,513	476,513	476,513	512,476
2	CAPX 2020 Bemidji	46,186	46,186	46,186	46,186	46,186	46,186	46,186	46,186	626,254	28,397	28,397	28,397	28,397	28,397	28,397
3	CAPX 2020 Cass Lake - Bemidji	29,463	29,463	29,463	29,463	29,463	29,463	29,463	29,463	357,480	25,394	25,394	25,394	25,394	25,394	25,394
4	CAPX 2020 Brookings	120,160	121,948	122,004	122,033	122,072	122,126	122,191	122,209	1,424,043	142,022	146,866	147,466	147,542	149,538	149,569
5	Ramsey 230/115 kW Transformer Upgrade	2,333	2,333	2,333	2,333	2,333	2,333	2,333	2,333	27,992	2,248	2,248	2,248	2,248	2,248	2,248
6	Total Revenue Requirements	573,849	595,968	596,346	596,751	596,839	596,926	597,094	597,159	7,170,038	674,573	679,417	680,017	680,093	682,089	718,083
7																
8	MISO Expenses															
9	MISO Schedule 26 Expense	481,172	481,172	481,172	481,172	481,172	481,172	481,172	481,172	5,871,956	481,172	522,119	522,119	522,119	522,119	522,119
10	MISO Schedule 26A Expense	49,846	49,464	53,572	54,037	51,418	54,861	62,922	71,358	713,379	127,183	127,337	113,237	105,304	90,981	90,209
11	Total MISO Expenses	531,018	530,636	534,744	535,209	532,590	536,033	544,093	552,529	6,585,335	608,355	649,456	635,356	627,423	613,100	612,328
12																
13	MISO Revenues															
14	MISO Schedule 26 Revenue	(586,261)	(586,261)	(586,261)	(586,261)	(586,261)	(586,261)	(586,261)	(586,261)	(6,801,388)	(496,355)	(653,200)	(640,871)	(660,111)	(660,111)	(660,111)
15	MISO Schedule 37 & 38 Revenue	(20,261)	(20,261)	(20,261)	(20,261)	(20,261)	(20,261)	(20,261)	(20,261)	(226,545)	(17,350)	(23,342)	(23,342)	(23,342)	(23,342)	(23,342)
16	MISO Schedule 26A Revenue	(122,258)	(122,258)	(122,258)	(122,258)	(122,258)	(122,258)	(122,258)	(182,551)	(1,463,734)	(203,546)	(203,546)	(203,546)	(203,546)	(203,546)	(203,546)
17	Total MISO Revenues	(728,779)	(728,779)	(728,779)	(728,779)	(728,779)	(728,779)	(728,779)	(789,073)	(8,491,666)	(717,250)	(880,087)	(867,759)	(886,999)	(886,999)	(886,999)
18																
19	Net Revenue Requirement	376,087	397,825	402,310	403,181	400,650	404,180	412,409	360,616	5,263,707	565,678	448,786	447,614	420,517	408,190	443,412
20																
21	Billed (forecast kWh x adj factor)	158,352	156,884	528,519	559,625	552,613	518,272	581,684	646,279	4,481,403	721,988	712,005	646,496	589,058	535,042	529,848
22																
23	Monthly Revenue Difference	217,736	240,942	(126,209)	(156,444)	(151,963)	(114,091)	(169,275)	(285,663)	782,304	(156,311)	(263,219)	(198,882)	(168,541)	(126,852)	(86,436)
24	Carrying Charge	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25	Life-to-Date Revenue Requirement (Cumulative Difference)	1,762,943	2,003,884	1,877,675	1,721,231	1,569,268	1,455,177	1,285,902	1,000,239	782,304	843,929	580,710	381,828	213,288	86,436	(0)
26																
27	Carrying Charge Calculation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
28	Cumulative Carrying Charge	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
29	Carrying cost	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30																
31																
32	Forecasted Sales (MWh)	158,873	157,400	167,087	176,920	174,704	163,847	183,894	204,315	1,755,612	228,250	225,094	204,384	186,226	169,149	167,507

SUMMARY		July 2014 - June 2015
Revenue requirements		\$5,117,544
Carrying Charge (Ended 2/1/14 per Orders)		0
2013-2014 True-up		2,003,884
Total requirements		\$7,121,429
July 2014 - June 2015 projected sales in mWh		2,251,378
Average Rate		\$0.00316

CAPX2020 Bemidji Project (Bemidji-Grand Rapids & Cass Lake-Bemidji Projects)
Reconciliation of Internal Cost Removal and CAP at CON
Compliance with Ordering Paragraph 3 & 4
(System Basis)
Docket No. E017/M-14-TBD

		A	B	C
		Feb-14	Mar-14	
1	Bemidji-Grand Rapids - Plant-in-Service/CWIP	(Attachment 6, Line 1+Line 4)	\$ 16,295,093	\$ 7,421,501
2	Cass Lake-Bemidji - Plant-in-Service	(Attachment 7 Line 1)	\$ 7,039,948	\$ 5,366,052
3	Total Bemidji Project - OTP	Line 1 + Line 2	\$ 23,335,041	\$ 12,787,553
4				
5	Bemidji CAP at CON	Order Point 3	\$ 74,000,000	
6	OTP Investment %		20%	
7	Bemidji CAP - OTP	Line 5 X Line 6	\$ 14,800,000	
8	CAP as % of Total OTP Cost	Line 7 / (Line 21 + Line 20)	63.523%	
9				
10			Attachment 6	Attachment 7
11			Bemidji-Grand Rapids	Cass Lake-Bemidji
12	OTP Total Cost (Plant in Service + CWIP)	February 2014 Balance	\$ 16,295,093	\$ 7,039,948
13	Additional CWIP	March CWIP	\$ (36,217)	\$ -
14	Less: Internal Costs Removed 36.477%	Line 24 Below	\$ (545,042)	\$ (610,595)
15	Less: Additional Costs Removed to reach CAP		\$ (7,343,186)	\$ -
16	Total (CAP)	Line 12 - Line 13 - Line 14	\$ 8,370,647	\$ 6,429,353
17	Less: Internal Costs Removed 63.523%	Line 25 Below	\$ (949,146)	\$ (1,063,301)
18	Total	March 2014 Balance	\$ 7,421,501	\$ 5,366,052
19			s/b "-" \$ -	\$ -
20				
21				
22			Bemidji	Cass Lake
23	Total Internal Costs on Bemidji Project (Bemidji & Cass Lake)		\$ 1,494,189	\$ 1,673,896
24				Total
25	Internal Costs removed as part of reduction to CAP	36.477%	\$ 545,042	\$ 610,595
26	Internal Costs removed below CAP	63.523%	\$ 949,146	\$ 1,063,301
27	Total Internal Costs Removed (System Basis)		\$ 1,494,189	\$ 1,673,896
28				
29	MN Share (D2 Factor)	47.89%	\$ 715,567	\$ 801,629

**CAPX2020 Fargo Project
Reconciliation of Internal Cost Removal
Compliance with Ordering Paragraph 4
(System Basis)
Docket No. E017/M-14-TBD**

		Plant Balance & CWIP			
		A	B	C	
		Feb-14	Mar-14	Difference	
Reference/Source					
1	Fargo - Plant-in-Service/CWIP	(Attachment 5, Line 1 + Line 4)	\$ 60,495,657	\$ 61,638,214	\$ 1,142,556
2					
3	Total Fargo Project - OTP	Line 1	<u>\$ 60,495,657</u>	<u>\$ 61,638,214</u>	<u>\$ 1,142,556</u>
4					
5					
6			Attachment 5 February '14 to March '14 Impact		
7	OTP Total Cost (Plant in Service + CWIP)	Column A Line 5 Above	\$ 60,495,657		
8	Less: Internal Costs Removed	Line 24 Below	\$ (639,887)		
9	Plus: Additional CWIP	Line 26 Below	\$ 1,782,443		
10	Total	Line 7 + Line 8 + Line 9	<u>\$ 61,638,214</u>		
11					
12	Total	March 2014 Balance	<u>\$ 61,638,214</u>	s/b equal to B:3	-
13					
14					
15					
16					
17	Total Internal Costs on Fargo Projects	(Internal Worksheet)	<u>\$ (639,887)</u>		
18					
19	Additional Project CWIP in March 2014	(Internal Worksheet)	\$ 1,782,443		
20					
21	Net of Internal Costs Removed and additional CWIP	Line 17 + Line 19	<u>\$ 1,142,556</u>	s/b equal to C:3	
22					

**CAPX2020 Brookings Project
Reconciliation of Internal Cost Removal
Compliance with Ordering Paragraph 4
(System Basis)
Docket No. E017/M-14-TBD**

		Plant Balance & CWIP		
Reference/Source		A Feb-14	B Mar-14	C Difference
1	Brookings - Plant-in-Service/CWIP	\$ 18,996,187	\$ 19,589,056	\$ 592,869
2				\$ -
3	Total Brookings Project - OTP	\$ 18,996,187	\$ 19,589,056	\$ 592,869
4				
5				
6				
		Attachment 8 February '14 to March '14 Impact		
7	OTP Total Cost (Plant in Service + CWIP)	\$ 18,996,187		
8	Less: Internal Costs Removed	\$ (187,647)		
9	Plus: Additional CWIP	\$ 780,516		
10	Total	\$ 19,589,056		
11		\$ -		
12	Total	\$ 19,589,056	s/b equal to B:3	-
13				
14				
15				
16				
		Total		
17	Total Internal Costs on Brookings Projects	\$ (187,647)		
18				
19	Additional Project CWIP in March 2014	\$ 780,516		
20				
21	Net of Internal Costs Removed and additional CWIP	\$ 592,869	s/b equal to C:3	

Line No.		2013	2013	2013	2013	2013	2013	2013	2013	2013
		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
		May	June	July	August	September	October	November	December	Total
RATE BASE										
1	Plant Balance	10,384,498	10,384,498	10,384,498	10,384,498	10,384,498	10,227,064	10,227,064	10,227,064	10,227,064
2	Accumulated Depreciation	(301,698)	(318,635)	(335,571)	(352,507)	(369,443)	(386,379)	(402,313)	(418,247)	(418,247)
3	Net Plant in Service	10,082,800	10,065,864	10,048,927	10,031,991	10,015,055	9,840,685	9,824,751	9,808,817	9,808,817
4	CWIP	26,692,714	28,087,055	29,973,872	33,013,263	36,338,642	39,045,339	43,134,567	46,516,092	46,516,092
5	Accumulated Deferred Income Taxes Federal & Sta	(3,294,080)	(3,299,959)	(3,305,838)	(3,311,717)	(3,317,596)	(3,323,475)	(3,329,768)	(3,336,062)	(3,336,062)
6	Ending rate base	33,481,433	34,852,960	36,716,961	39,733,537	43,036,101	45,562,548	49,629,549	52,988,846	52,988,846
7										
8	Average rate base	3,088,566	3,088,566	3,088,566	3,088,566	3,088,566	3,088,566	3,088,566	3,088,566	37,062,790
9										
10	Return on Rate Base	265,952	265,952	265,952	265,952	265,952	265,952	265,952	265,952	3,191,422
11										
12	Available for return (equity portion of rate base)	171,561	171,561	171,561	171,561	171,561	171,561	171,561	171,561	2,058,737
13										
EXPENSES										
14										
15	<i>O&M and Depreciation</i>									
16	Operating Costs	0	0	0	0	0	0	0	49,296	49,296
17	Property Tax	46,442	46,442	46,442	46,442	46,442	46,442	46,442	46,442	557,304
18	Book Depreciation	16,936	16,936	16,936	16,936	16,936	16,936	15,934	15,934	201,230
19	Total O&M and Depreciation Expense	63,378	63,378	63,378	63,378	63,378	63,378	62,376	111,672	807,830
20										
21	Income before Taxes									
22	Available for return (from above)	171,561	171,561	171,561	171,561	171,561	171,561	171,561	171,561	2,058,737
23	Taxable Income (grossed up)	292,617	292,617	292,617	292,617	292,617	292,617	292,617	292,617	3,511,406
24										
25	Income Taxes									
26	Current and Def Income Taxes	121,056	121,056	121,056	121,056	121,056	121,056	121,056	121,056	1,452,669
27	Total Income Tax Expense	121,056	121,056	121,056	121,056	121,056	121,056	121,056	121,056	1,452,669
28										
29										
REVENUE REQUIRMENTS										
30										
31	Expenses	184,434	184,434	184,434	184,434	184,434	184,434	183,432	232,728	2,260,498
32	Return on rate base	265,952	265,952	265,952	265,952	265,952	265,952	265,952	265,952	3,191,422
33	Subtotal revenue requirements	450,386	450,386	450,386	450,386	450,386	450,386	449,384	498,680	5,451,920
34	Adjustments									
35	Wholesale Revenue Credit	0	0	0	0	0	0	0	0	0
36	Total revenue requirements	450,386	450,386	450,386	450,386	450,386	450,386	449,384	498,680	5,451,920
37										
38	Minnesota share - D2 factor	215,690	215,690	215,690	215,690	215,690	215,690	215,210	238,818	2,610,925

Line No.	SUPPORTING INFORMATION / DATA									
1										
2										
3										
4										
5										
6										
7										
8										
9										
10										
11										
12										
13										
14										
15										
16										
17										
18										
19	Deferred Tax									
20	Book depreciation	16,936	16,936	16,936	16,936	16,936	16,936	15,934	15,934	201,230
21	Tax depreciation-Federal	(245)	(245)	(245)	(245)	(245)	(245)	(245)	(245)	(2,944)
22	Tax depreciation-MN	132,275	132,275	132,275	132,275	132,275	132,275	132,275	132,275	1,587,303
23	Federal deferred income taxes	5,424	5,424	5,424	5,424	5,424	5,424	5,108	5,108	64,458
24	State deferred income taxes	(11,303)	(11,303)	(11,303)	(11,303)	(11,303)	(11,303)	(11,401)	(11,401)	(135,835)

Line No.	SUPPORTING INFORMATION / DATA													
1	MN Cap Structure with allowed ROE per order.													
2	Capital Structure													
3		Ratio	Cost	WA Cost					Property tax					
4	Debt	48.28%	6.33%	3.06%					2014 composite rate			1.88%		
5	Preferred equity	0.00%	0.00%	0.00%										
6	Common equity	51.72%	10.74%	5.55%										
7	Total	100.00%		8.61%	Overall Return									
8														
9		Book	Tax											
10	Project life (years)	50	15-year MACRS											
11														
12			Fed Portion	State Portion										
13	Statutory Tax Rate	41.37%	31.57%	9.80%										
14	Tax conversion factor	1.70561												
15	Wholesale Revenue Credit	0.00%												
16	MN share - D2 factor	47.890%												
17														
18	Deferred Tax													
19	Book depreciation	13,074	15,272	15,272	14,773	14,839	57,294	57,967	58,753	58,855	58,924	59,138	59,236	483,398
20	Tax depreciation-Federal	125,690	125,690	125,690	125,690	125,690	125,690	125,690	125,690	125,690	125,690	125,690	125,690	1,508,284
21	Tax depreciation-MN	253,586	253,586	253,586	253,586	253,586	253,586	253,586	253,586	253,586	253,586	253,586	253,586	3,043,036
22	Federal deferred income taxes	(35,553)	(34,859)	(34,859)	(35,017)	(34,996)	(21,593)	(21,380)	(21,132)	(21,100)	(21,078)	(21,010)	(20,979)	(323,557)
23	State deferred income taxes	(23,570)	(23,355)	(23,355)	(23,404)	(23,397)	(19,237)	(19,171)	(19,094)	(19,084)	(19,077)	(19,056)	(19,046)	(250,845)

Line No.		2015 Projected January	2015 Projected February	2015 Projected March	2015 Projected April	2015 Projected May	2015 Projected June	2015 Projected July	2015 Projected August	2015 Projected September	2015 Projected October	2015 Projected November	2015 Projected December	2015 Projected Total
	RATE BASE													
1	Plant Balance	39,107,552	39,107,552	39,107,552	39,107,552	83,548,920	83,758,033	83,995,792	84,164,128	84,187,201	84,187,201	84,187,201	84,187,201	84,187,201
2	Accumulated Depreciation	(965,753)	(1,029,860)	(1,093,968)	(1,158,076)	(1,222,184)	(1,361,386)	(1,500,942)	(1,640,900)	(1,781,142)	(1,921,423)	(2,061,704)	(2,201,985)	(2,201,985)
3	Net Plant in Service	38,141,799	38,077,692	38,013,584	37,949,476	82,326,736	82,396,647	82,494,850	82,523,228	82,406,059	82,265,778	82,125,497	81,985,216	81,985,216
4	CWIP	42,374,477	42,849,143	43,716,514	44,157,619	(0)	(0)	(0)	0	(0)	(0)	(0)	(0)	(0)
5	Accumulated Deferred Income Taxes Federal & State	(4,070,758)	(4,231,053)	(4,391,348)	(4,551,643)	(4,711,937)	(4,841,166)	(4,970,248)	(5,099,163)	(5,227,961)	(5,356,743)	(5,485,525)	(5,614,307)	(5,614,307)
6	Ending rate base	76,445,518	76,695,782	77,338,750	77,555,452	77,614,798	77,555,481	77,524,602	77,424,065	77,178,098	76,909,035	76,639,972	76,370,909	76,370,909
7														
8	Average rate base	6,418,657	6,418,657	6,418,657	6,418,657	6,418,657	6,418,657	6,418,657	6,418,657	6,418,657	6,418,657	6,418,657	6,418,657	77,023,888
9														
10	Return on Rate Base	552,701	552,701	552,701	552,701	552,701	552,701	552,701	552,701	552,701	552,701	552,701	552,701	6,632,413
11														
12	Available for return (equity portion of rate base)	356,539	356,539	356,539	356,539	356,539	356,539	356,539	356,539	356,539	356,539	356,539	356,539	4,278,467
13														
	EXPENSES													
15	<i>O&M and Depreciation</i>													
16	Operating Costs	0	0	0	0	0	0	0	0	0	0	0	0	0
17	Property Tax	126,629	126,629	126,629	126,629	126,629	126,629	126,629	126,629	126,629	126,629	126,629	126,629	1,519,551
18	Book Depreciation	64,108	64,108	64,108	64,108	64,108	139,203	139,556	139,958	140,242	140,281	140,281	140,281	1,300,340
19	Total O&M and Depreciation Expense	190,737	190,737	190,737	190,737	190,737	265,832	266,185	266,587	266,871	266,910	266,910	266,910	2,819,891
20														
21	Income before Taxes													
22	Available for return (from above)	356,539	356,539	356,539	356,539	356,539	356,539	356,539	356,539	356,539	356,539	356,539	356,539	4,278,467
23	Taxable Income (grossed up)	608,117	608,117	608,117	608,117	608,117	608,117	608,117	608,117	608,117	608,117	608,117	608,117	7,297,403
24														
25	Income Taxes													
26	Current and Def Income Taxes	251,578	251,578	251,578	251,578	251,578	251,578	251,578	251,578	251,578	251,578	251,578	251,578	3,018,936
27	Total Income Tax Expense	251,578	251,578	251,578	251,578	251,578	251,578	251,578	251,578	251,578	251,578	251,578	251,578	3,018,936
28														
29														
	REVENUE REQUIREMENTS													
31	Expenses	442,315	442,315	442,315	442,315	442,315	517,410	517,763	518,165	518,449	518,488	518,488	518,488	5,838,827
32	Return on rate base	552,701	552,701	552,701	552,701	552,701	552,701	552,701	552,701	552,701	552,701	552,701	552,701	6,632,413
33	Subtotal revenue requirements	995,016	995,016	995,016	995,016	995,016	1,070,111	1,070,464	1,070,866	1,071,150	1,071,189	1,071,189	1,071,189	12,471,240
34	Adjustments													
35	Wholesale Revenue Credit	0	0	0	0	0	0	0	0	0	0	0	0	0
36	Total revenue requirements	995,016	995,016	995,016	995,016	995,016	1,070,111	1,070,464	1,070,866	1,071,150	1,071,189	1,071,189	1,071,189	12,471,240
37														
38	Minnesota share - D2 factor	476,513	476,513	476,513	476,513	476,513	512,476	512,645	512,838	512,974	512,993	512,993	512,993	5,972,477

Line No.	SUPPORTING INFORMATION / DATA													
1	MN Cap Structure with allowed ROE per order.													
2	Capital Structure													
3		Ratio	Cost	WA Cost					Property tax					
4	Debt	48.28%	6.33%	3.06%					2015 composite rate			1.88%		
5	Preferred equity	0.00%	0.00%	0.00%										
6	Common equity	51.72%	10.74%	5.55%										
7	Total	100.00%		8.61%	Overall Return									
8														
9		Book	Tax											
10	Project life (years)	50	15-year MACRS											
11														
12			Fed Portion	State Portion										
13	Statutory Tax Rate	41.37%	31.57%	9.80%										
14	Tax conversion factor	1.70561												
15	Wholesale Revenue Credit	0.00%												
16	MN share - D2 factor	47.890%												
17														
18	Deferred Tax													
19	Book depreciation	64,108	64,108	64,108	64,108	64,108	139,203	139,556	139,958	140,242	140,281	140,281	140,281	1,300,340
20	Tax depreciation-Federal	421,292	421,292	421,292	421,292	421,292	421,292	421,292	421,292	421,292	421,292	421,292	421,292	5,055,504
21	Tax depreciation-MN	549,126	549,126	549,126	549,126	549,126	549,126	549,126	549,126	549,126	549,126	549,126	549,126	6,589,508
22	Federal deferred income taxes	(112,763)	(112,763)	(112,763)	(112,763)	(112,763)	(89,056)	(88,944)	(88,817)	(88,727)	(88,715)	(88,715)	(88,715)	(1,185,505)
23	State deferred income taxes	(47,532)	(47,532)	(47,532)	(47,532)	(47,532)	(40,172)	(40,138)	(40,098)	(40,071)	(40,067)	(40,067)	(40,067)	(518,338)

Line No.	Year>>	2013	2013	2013	2013	2013	2013	2013	2013	2013
		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
		May	June	July	August	September	October	November	December	Total
	RATE BASE									
	Plant Balance									
	Transmission Plant - Land and Land Rights (350)	565,699	565,699	565,699	565,699	565,699	565,699	565,699	1,056,789	1,056,789
	Transmission Plant - Poles & Fixtures (355)	12,666,382	12,666,382	12,666,382	12,666,382	12,666,382	12,666,382	12,666,382	11,692,340	11,692,340
	Transmission Plant - Overhead Conductors & Devices (356)	2,235,244	2,235,244	2,235,244	2,235,244	2,235,244	2,235,244	2,235,244	3,360,460	3,360,460
1	Plant Balance	15,467,325	15,467,325	15,467,325	15,467,325	15,467,325	15,467,325	15,467,325	16,109,589	16,109,589
2	Accumulated Depreciation	(242,801)	(270,943)	(299,085)	(327,227)	(355,369)	(383,511)	(411,653)	(439,795)	(439,795)
3	Net Plant in Service	15,224,524	15,196,382	15,168,240	15,140,098	15,111,956	15,083,814	15,055,672	15,669,794	15,669,794
	CWIP Calculation:									
	Beginning Balance	83,328	90,990	99,415	115,820	110,035	117,444	123,752	137,840	
	Additional CWIP	7,663	8,425	16,405	(5,785)	7,409	6,307	14,088	504,424	642,264
	Remove Internal Costs & Cap at CON									
	Closings from CWIP								(642,264)	
	AFUDC									
4	CWIP (Project #103487) 103487	90,990	99,415	115,820	110,035	117,444	123,752	137,840	(0)	(0)
5	Accumulated Deferred Income Taxes Federal & State	(2,877,424)	(2,910,742)	(2,944,060)	(2,977,378)	(3,010,697)	(3,044,015)	(3,077,333)	(3,110,651)	(3,110,651)
6	Ending rate base	12,438,091	12,385,055	12,340,000	12,272,755	12,218,703	12,163,552	12,116,179	12,559,142	12,559,142
7										
8	Average rate base	1,034,524	1,034,524	1,034,524	1,034,524	1,034,524	1,034,524	1,034,524	1,034,524	12,414,286
9										
10	Return on Rate Base	89,081	89,081	89,081	89,081	89,081	89,081	89,081	89,081	1,068,976
11										
12	Available for return (equity portion of rate base)	57,465	57,465	57,465	57,465	57,465	57,465	57,465	57,465	689,580
13										
14	EXPENSES									
15	<i>O&M and Depreciation</i>									
16	Operating Costs	0	0	0	0	0	0	0	52,374	52,374
17	Property Tax	24,219	24,219	24,219	24,219	24,219	24,219	24,219	24,219	290,631
18	Book Depreciation	28,142	28,142	28,142	28,142	28,142	28,142	28,142	28,142	337,705
19	Total O&M and Depreciation Expense	52,361	52,361	52,361	52,361	52,361	52,361	52,361	104,735	680,710
20										
21	Income before Taxes									
22	Available for return (from above)	57,465	57,465	57,465	57,465	57,465	57,465	57,465	57,465	689,580
23	Taxable Income (grossed up) 1.7056	98,013	98,013	98,013	98,013	98,013	98,013	98,013	98,013	1,176,155
24										
25	Income Taxes									
26	Current and Def Income Taxes 41.37%	40,548	40,548	40,548	40,548	40,548	40,548	40,548	40,548	486,575
27	Total Income Tax Expense	40,548	40,548	40,548	40,548	40,548	40,548	40,548	40,548	486,575
28										
29										
30	REVENUE REQUIRMENTS									
31	Expenses	92,909	92,909	92,909	92,909	92,909	92,909	92,909	145,283	1,167,286
32	Return on rate base	89,081	89,081	89,081	89,081	89,081	89,081	89,081	89,081	1,068,976
33	Subtotal revenue requirements	181,991	181,991	181,991	181,991	181,991	181,991	181,991	234,365	2,236,261
34	Adjustments									
35	Wholesale Revenue Credit	0	0	0	0	0	0	0	0	0
36	Total revenue requirements	181,991	181,991	181,991	181,991	181,991	181,991	181,991	234,365	2,236,261
37										
38	Minnesota share - D2 factor 47.89%	87,155	87,155	87,155	87,155	87,155	87,155	87,155	112,237	1,070,946

Line No.	Year>>	2013	2013	2013	2013	2013	2013	2013	2013	2013
		Actual May	Actual June	Actual July	Actual August	Actual September	Actual October	Actual November	Actual December	Actual Total
RATE BASE										
1		7,067,916	7,067,916	7,042,389	7,039,948	7,039,948	7,039,948	7,039,948	7,039,948	7,039,948
2		(76,385)	(86,648)	(96,911)	(107,147)	(117,317)	(127,488)	(137,658)	(147,828)	(147,828)
3		6,991,532	6,981,268	6,945,478	6,932,801	6,922,630	6,912,460	6,902,290	6,892,119	6,892,119
4		(8,342)	(37,418)	(2,441)	0	0	0	0	0	0
5		(1,135,131)	(1,165,218)	(1,195,304)	(1,225,402)	(1,255,527)	(1,285,652)	(1,315,777)	(1,345,902)	(1,345,902)
6		5,848,058	5,778,632	5,747,733	5,707,399	5,667,104	5,626,809	5,586,514	5,546,218	5,546,218
7										
8		483,065	483,065	483,065	483,065	483,065	483,065	483,065	483,065	5,796,777
9										
10		41,596	41,596	41,596	41,596	41,596	41,596	41,596	41,596	499,152
11										
12		26,833	26,833	26,833	26,833	26,833	26,833	26,833	26,833	321,995
13										
EXPENSES										
15										
16		478	478	478	478	478	478	478	478	5,594
17		11,010	11,010	11,010	11,010	11,010	11,010	11,010	11,010	132,120
18		10,263	10,263	10,263	10,236	10,170	10,170	10,170	10,170	117,629
19		21,751	21,751	21,751	21,723	21,658	21,658	21,658	21,658	255,343
20										
21		26,833	26,833	26,833	26,833	26,833	26,833	26,833	26,833	321,995
22										
23	1.7056	45,767	45,767	45,767	45,767	45,767	45,767	45,767	45,767	549,199
24										
25										
26	41.37%	18,934	18,934	18,934	18,934	18,934	18,934	18,934	18,934	227,204
27		18,934	18,934	18,934	18,934	18,934	18,934	18,934	18,934	227,204
28										
29										
REVENUE REQUIRMENTS										
31		40,685	40,685	40,685	40,657	40,592	40,592	40,592	40,592	482,546
32		41,596	41,596	41,596	41,596	41,596	41,596	41,596	41,596	499,152
33		82,281	82,281	82,281	82,253	82,188	82,188	82,188	82,188	981,698
34										
35		0	0	0	0	0	0	0	0	0
36		82,281	82,281	82,281	82,253	82,188	82,188	82,188	82,188	981,698
37										
38	47.89%	39,404	39,404	39,404	39,391	39,360	39,360	39,360	39,360	470,135

Line No.	SUPPORTING INFORMATION / DATA									
1										
2										
3	WA Cost					Property tax				
4	3.06%					2013 composite rate				
5	0.00%					1.88%				
6	5.55%									
7	8.61% Overall Return									
8										
9										
10										
11										
12	State Portion									
13	9.80%									
14										
15										
16										
17										
18	Deferred Tax									
19	Book depreciation	10,263	10,263	10,263	10,236	10,170	10,170	10,170	10,170	117,629
20	Tax depreciation-Federal	85,542	85,542	85,542	85,542	85,542	85,542	85,542	85,542	1,026,501
21	Tax depreciation-MN	74,763	74,763	74,763	74,763	74,763	74,763	74,763	74,763	897,161
22	Federal deferred income taxes	(23,765)	(23,765)	(23,765)	(23,774)	(23,795)	(23,795)	(23,795)	(23,795)	(286,931)
23	State deferred income taxes	(6,321)	(6,321)	(6,321)	(6,324)	(6,330)	(6,330)	(6,330)	(6,330)	(76,394)

Line No.	Year>>	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014
		Actual January	Actual February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December
RATE BASE													
1		0	0	9,469,520	9,594,405	11,818,775	11,871,778	11,906,019	11,953,969	12,020,656	12,101,222	12,128,874	12,184,050
2		0	0	0	(16,001)	(32,213)	(52,184)	(72,244)	(92,363)	(112,562)	(132,874)	(153,322)	(173,817)
3		0	0	9,469,520	9,578,404	11,786,562	11,819,594	11,833,775	11,861,606	11,908,094	11,968,348	11,975,552	12,010,233
4		18,065,150	18,996,187	10,119,536	10,187,444	8,603,460	9,350,071	9,874,464	10,245,655	10,676,409	10,975,210	11,178,216	11,361,201
5		(21,002)	(42,005)	(63,007)	(77,389)	(91,685)	(104,425)	(117,128)	(129,808)	(142,453)	(155,053)	(167,596)	(180,119)
6		18,044,147	18,954,182	19,526,049	19,688,458	20,298,337	21,065,240	21,591,110	21,977,454	22,442,050	22,788,506	22,986,172	23,191,315
7													
8		1,730,625	1,730,625	1,730,625	1,730,625	1,730,625	1,730,625	1,730,625	1,730,625	1,730,625	1,730,625	1,730,625	1,730,625
9													
10		149,022	149,022	149,022	149,022	149,022	149,022	149,022	149,022	149,022	149,022	149,022	149,022
11													
12		96,131	96,131	96,131	96,131	96,131	96,131	96,131	96,131	96,131	96,131	96,131	96,131
13													
14													
EXPENSES													
15													
16		0	0	0	0	0	0	0	0	0	0	0	0
17		12,315	12,315	12,315	17,833	17,844	17,819	17,845	17,848	17,848	17,848	17,849	17,840
18		0	0	0	16,001	16,212	19,971	20,060	20,118	20,199	20,312	20,448	20,495
19		12,315	12,315	12,315	33,834	34,056	37,790	37,905	37,966	38,047	38,160	38,297	38,334
20													
21													
22		96,131	96,131	96,131	96,131	96,131	96,131	96,131	96,131	96,131	96,131	96,131	96,131
23	1.7056	163,963	163,963	163,963	163,963	163,963	163,963	163,963	163,963	163,963	163,963	163,963	163,963
24													
25													
26	41.37%	67,831	67,831	67,831	67,831	67,831	67,831	67,831	67,831	67,831	67,831	67,831	67,831
27		67,831	67,831	67,831	67,831	67,831	67,831	67,831	67,831	67,831	67,831	67,831	67,831
28													
29													
REVENUE REQUIRMENTS													
30													
31		80,146	80,146	80,146	101,666	101,888	105,621	105,737	105,797	105,879	105,992	106,128	106,166
32		149,022	149,022	149,022	149,022	149,022	149,022	149,022	149,022	149,022	149,022	149,022	149,022
33		229,168	229,168	229,168	250,687	250,909	254,643	254,758	254,819	254,900	255,013	255,150	255,187
34													
35		0	0	0	0	0	0	0	0	0	0	0	0
36		229,168	229,168	229,168	250,687	250,909	254,643	254,758	254,819	254,900	255,013	255,150	255,187
37													
38	47.89%	109,748	109,748	109,748	120,054	120,160	121,948	122,004	122,033	122,072	122,126	122,191	122,209

Line No.	SUPPORTING INFORMATION / DATA													
1	MN Cap Structure with allowed ROE per order.													
2	Capital Structure													
3		Ratio	Cost	WA Cost										
4	Debt	48.28%	6.33%	3.06%										
5	Preferred equity	0.00%	0.00%	0.00%										
6	Common equity	51.72%	10.74%	5.55%										
7	Total	100.00%		8.61%	Overall Return									
8														
9		Book	Tax											
10	Project life (years)	50	15-year MACRS											
11														
12				Fed Portion	State Portion									
13	Statutory Tax Rate	41.37%	31.57%	9.80%										
14	Tax conversion factor	1.70561												
15	Wholesale Revenue Credit	0.00%												
16	MN share - D2 factor	47.890%												
17														
18	Deferred Tax													
19	Book depreciation	0	0	0	16,001	16,212	19,971	20,060	20,118	20,199	20,312	20,448	20,495	173,817
20	Tax depreciation-Federal	50,767	50,767	50,767	50,767	50,767	50,767	50,767	50,767	50,767	50,767	50,767	50,767	609,203
21	Tax depreciation-MN	50,767	50,767	50,767	50,767	50,767	50,767	50,767	50,767	50,767	50,767	50,767	50,767	609,203
22	Federal deferred income taxes	(16,027)	(16,027)	(16,027)	(10,976)	(10,909)	(9,722)	(9,694)	(9,676)	(9,650)	(9,615)	(9,572)	(9,557)	(137,451)
23	State deferred income taxes	(4,975)	(4,975)	(4,975)	(3,407)	(3,386)	(3,018)	(3,009)	(3,004)	(2,996)	(2,985)	(2,971)	(2,967)	(42,668)

Line No.	Year>>	2015 Projected January	2015 Projected February	2015 Projected March	2015 Projected April	2015 Projected May	2015 Projected June	2015 Projected July	2015 Projected August	2015 Projected September	2015 Projected October	2015 Projected November	2015 Projected December	2015 Projected Total
RATE BASE														
1	Plant Balance	18,170,043	18,911,115	19,005,060	21,471,346	21,509,769	21,569,707	21,633,084	21,738,337	21,860,884	22,065,535	22,157,526	25,203,098	25,203,098
2	Accumulated Depreciation	(194,405)	(225,107)	(257,062)	(289,176)	(325,457)	(361,804)	(398,251)	(434,805)	(471,538)	(508,477)	(545,762)	(583,203)	(583,203)
3	Net Plant in Service	17,975,638	18,686,008	18,747,998	21,182,170	21,184,312	21,207,903	21,234,833	21,303,532	21,389,346	21,557,058	21,611,764	24,619,895	24,619,895
4	CWIP	5,855,962	5,320,213	5,354,740	2,919,968	2,925,709	2,931,449	2,933,875	2,936,301	2,938,726	2,941,152	2,943,578	0	0
5	Accumulated Deferred Income Taxes Federal & State	(233,446)	(282,589)	(331,213)	(379,772)	(426,606)	(473,414)	(520,180)	(566,902)	(613,550)	(660,112)	(706,531)	(752,886)	(752,886)
6	Ending rate base	23,598,155	23,723,632	23,771,524	23,722,366	23,683,414	23,665,939	23,648,528	23,672,931	23,714,523	23,838,098	23,848,810	23,867,009	23,867,009
7														
8	Average rate base	1,974,014	1,974,014	1,974,014	1,974,014	1,974,014	1,974,014	1,974,014	1,974,014	1,974,014	1,974,014	1,974,014	1,974,014	23,688,173
9														
10	Return on Rate Base	169,979	169,979	169,979	169,979	169,979	169,979	169,979	169,979	169,979	169,979	169,979	169,979	2,039,753
11														
12	Available for return (equity portion of rate base)	109,651	109,651	109,651	109,651	109,651	109,651	109,651	109,651	109,651	109,651	109,651	109,651	1,315,814
13														
EXPENSES														
15	O&M and Depreciation													
16	Operating Costs	0	0	0	0	0	0	0	0	0	0	0	0	0
17	Property Tax	28,621	28,621	28,621	28,621	28,621	28,621	28,621	28,621	28,621	28,621	28,621	28,621	343,450
18	Book Depreciation	20,588	30,703	31,955	32,114	36,281	36,346	36,447	36,555	36,732	36,939	37,285	37,441	409,387
19	Total O&M and Depreciation Expense	49,209	59,324	60,576	60,735	64,902	64,967	65,068	65,175	65,353	65,560	65,906	66,062	752,837
20														
21	Income before Taxes													
22	Available for return (from above)	109,651	109,651	109,651	109,651	109,651	109,651	109,651	109,651	109,651	109,651	109,651	109,651	1,315,814
23	Taxable Income (grossed up)	187,022	187,022	187,022	187,022	187,022	187,022	187,022	187,022	187,022	187,022	187,022	187,022	2,244,267
24														
25	Income Taxes													
26	Current and Def Income Taxes	77,371	77,371	77,371	77,371	77,371	77,371	77,371	77,371	77,371	77,371	77,371	77,371	928,453
27	Total Income Tax Expense	77,371	77,371	77,371	77,371	77,371	77,371	77,371	77,371	77,371	77,371	77,371	77,371	928,453
28														
29														
REVENUE REQUIRMENTS														
31	Expenses	126,580	136,695	137,947	138,106	142,273	142,338	142,439	142,546	142,724	142,931	143,277	143,433	1,681,290
32	Return on rate base	169,979	169,979	169,979	169,979	169,979	169,979	169,979	169,979	169,979	169,979	169,979	169,979	2,039,753
33	Subtotal revenue requirements	296,559	306,674	307,926	308,085	312,253	312,318	312,419	312,526	312,704	312,911	313,257	313,412	3,721,043
34	Adjustments													
35	Wholesale Revenue Credit	0	0	0	0	0	0	0	0	0	0	0	0	0
36	Total revenue requirements	296,559	306,674	307,926	308,085	312,253	312,318	312,419	312,526	312,704	312,911	313,257	313,412	3,721,043
37														
38	Minnesota share - D2 factor	142,022	146,866	147,466	147,542	149,538	149,569	149,617	149,669	149,754	149,853	150,019	150,093	1,782,008

Line No.	SUPPORTING INFORMATION / DATA													
1	MN Cap Structure with allowed ROE per order.													
2	Capital Structure													
3		Ratio	Cost	WA Cost					Property tax					
4	Debt	48.28%	6.33%	3.06%					2015 composite rate			1.88%		
5	Preferred equity	0.00%	0.00%	0.00%										
6	Common equity	51.72%	10.74%	5.55%										
7	Total	100.00%		8.61%	Overall Return									
8														
9		Book	Tax											
10	Project life (years)	50	15-year MACRS											
11														
12				Fed Portion	State Portion									
13	Statutory Tax Rate	41.37%		31.57%	9.80%									
14	Tax conversion factor	1.70561												
15	Wholesale Revenue Credit	0.00%												
16	MN share - D2 factor	47.890%												
17														
18	Deferred Tax													
19	Book depreciation	20,588	30,703	31,955	32,114	36,281	36,346	36,447	36,555	36,732	36,939	37,285	37,441	409,387
20	Tax depreciation-Federal	149,490	149,490	149,490	149,490	149,490	149,490	149,490	149,490	149,490	149,490	149,490	149,490	1,793,885
21	Tax depreciation-MN	149,490	149,490	149,490	149,490	149,490	149,490	149,490	149,490	149,490	149,490	149,490	149,490	1,793,885
22	Federal deferred income taxes	(40,694)	(37,501)	(37,106)	(37,056)	(35,740)	(35,720)	(35,688)	(35,654)	(35,598)	(35,532)	(35,423)	(35,374)	(437,086)
23	State deferred income taxes	(12,632)	(11,641)	(11,518)	(11,503)	(11,095)	(11,088)	(11,078)	(11,068)	(11,050)	(11,030)	(10,996)	(10,981)	(135,681)

2014 Attachment O Filing

Line No.					Allocated Amount
1	GROSS REVENUE REQUIREMENT (page 3, line 31)				\$31,431,586
	REVENUE CREDITS	(Note T)	Total	Allocator	
2	Account No. 454	(page 4, line 34)	75,803	TP 1.00000	75,803
3	Account No. 456.1	(page 4, line 37)	6,373,865	TP 1.00000	6,373,865
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)				6,449,668
7				Wholesale Revenue Credit	20.52%

2013 Attachment O Filing

Line No.					Allocated Amount
1	GROSS REVENUE REQUIREMENT (page 3, line 31)				\$ 33,929,200
	REVENUE CREDITS	(Note T)	Total	Allocator	
2	Account No. 454	(page 4, line 34)	87,404	TP 1.00000	87,404
3	Account No. 456.1	(page 4, line 37)	7,241,000	TP 1.00000	7,241,000
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)				7,328,404
7				Wholesale Revenue Credit	21.60%

2012 Attachment O Filing

Line No.					Allocated Amount
1	GROSS REVENUE REQUIREMENT (page 3, line 31)				\$ 34,070,426
	REVENUE CREDITS	(Note T)	Total	Allocator	
2	Account No. 454	(page 4, line 34)	98,667	TP 1.00000	98,667
3	Account No. 456.1	(page 4, line 37)	7,204,688	TP 1.00000	7,204,688
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)				7,303,355
7				Wholesale Revenue Credit	21.44%

		2013												
Line No.	SCHEDULE 26 & SCHEDULE 26A	January Actual	February Actual	March Actual	April Actual	May Actual	June Actual	July Actual	August Actual	September Actual	October Actual	November Actual	December Actual	YE Actual
1	MISO Schedule 26 Expense	600,575	944,470	864,599	849,832	713,310	633,447	753,503	786,891	805,577	759,732	746,315	803,105	9,261,355
2	OTP owned portion of expenses 0.594%	0	(5,610)	(5,136)	(5,048)	(4,237)	(3,763)	(4,476)	(4,674)	(4,785)	(4,513)	(4,433)	(4,770)	(51,445)
3	MISO Schedule 26 Expense Recoverable	600,575	938,860	859,464	844,784	709,072	629,684	749,028	782,217	800,792	755,219	741,882	798,335	9,209,910
4														
5	Minnesota share 47.89%	287,615	449,620	411,597	404,567	339,575	301,556	358,709	374,604	383,499	361,674	355,287	382,322	4,410,626
6														
7	MISO Schedule 26A Expense	11,433	59,685	53,366	37,611	37,954	45,912	57,935	69,441	61,895	51,420	67,672	72,836	627,161
8	OTP owned portion of expenses 0.581%	(130)	(347)	(310)	(219)	(221)	(267)	(337)	(403)	(360)	(299)	(393)	(423)	(3,707)
9	MISO Schedule 26A Expense Recoverable	11,303	59,338	53,056	37,393	37,734	45,645	57,598	69,038	61,535	51,121	67,279	72,413	623,454
10														
11	Minnesota share 47.89%	5,413	28,417	25,409	17,907	18,071	21,860	27,584	33,062	29,469	24,482	32,220	34,679	298,572

		2014												
Line No.	SCHEDULE 26 & SCHEDULE 26A	January Actual	February Actual	March Actual	April Projected	May Projected	June Projected	July Projected	August Projected	September Projected	October Projected	November Projected	December Projected	YE Projected
1	MISO Schedule 26 Expense	952,505	1,194,596	1,090,735	1,010,727	1,010,727	1,010,727	1,010,727	1,010,727	1,010,727	1,010,727	1,010,727	1,010,727	12,334,379
2	OTP owned portion of expenses 0.592%	(5,658)	(7,072)	(6,457)	(5,984)	(5,984)	(5,984)	(5,984)	(5,984)	(5,984)	(5,984)	(5,984)	(5,984)	(73,039)
3	MISO Schedule 26 Expense Recoverable	946,847	1,187,524	1,084,278	1,004,743	1,004,743	1,004,743	1,004,743	1,004,743	1,004,743	1,004,743	1,004,743	1,004,743	12,261,340
4														
5	Minnesota share 47.89%	453,445	568,705	519,261	481,172	481,172	481,172	481,172	481,172	481,172	481,172	481,172	481,172	5,871,956
6														
7	MISO Schedule 26A Expense	82,115	193,901	168,366	113,866	104,642	103,841	112,464	113,440	107,942	115,171	132,092	149,802	1,497,642
8	OTP owned portion of expenses 0.533%	(477)	(1,033)	(897)	(607)	(558)	(553)	(599)	(605)	(575)	(614)	(704)	(798)	(8,022)
9	MISO Schedule 26A Expense Recoverable	81,638	192,868	167,468	113,259	104,084	103,288	111,865	112,835	107,367	114,557	131,388	149,004	1,489,620
10														
11	Minnesota share 47.89%	39,096	92,364	80,201	54,240	49,846	49,464	53,572	54,037	51,418	54,861	62,922	71,358	713,379

		2015												
Line No.	SCHEDULE 26 & SCHEDULE 26A	January Projected	February Projected	March Projected	April Projected	May Projected	June Projected	July Projected	August Projected	September Projected	October Projected	November Projected	December Projected	YE Projected
1	MISO Schedule 26 Expense	1,010,727	1,096,740	1,096,740	1,096,740	1,096,740	1,096,740	1,096,740	1,096,740	1,096,740	1,096,740	1,096,740	1,096,740	13,074,862
2	OTP owned portion of expenses 0.592%	(5,984)	(6,493)	(6,493)	(6,493)	(6,493)	(6,493)	(6,493)	(6,493)	(6,493)	(6,493)	(6,493)	(6,493)	(77,403)
3	MISO Schedule 26 Expense Recoverable	1,004,743	1,090,247	1,090,247	1,090,247	1,090,247	1,090,247	1,090,247	1,090,247	1,090,247	1,090,247	1,090,247	1,090,247	12,997,459
4														
5	Minnesota share 47.89%	481,172	522,119	522,119	522,119	522,119	522,119	522,119	522,119	522,119	522,119	522,119	522,119	6,224,483
6														
7	MISO Schedule 26A Expense 0.57	266,996	267,214	237,625	220,978	190,922	189,302	205,116	211,565	206,173	196,258	224,803	249,689	2,666,642
8	OTP owned portion of expenses 0.494%	(1,423)	(1,320)	(1,174)	(1,092)	(943)	(935)	(1,013)	(1,045)	(1,018)	(970)	(1,111)	(1,233)	(13,277)
9	MISO Schedule 26A Expense Recoverable	265,573	265,894	236,451	219,887	189,979	188,367	204,102	210,519	205,154	195,289	223,693	248,456	2,653,365
10														
11	Minnesota share 47.89%	127,183	127,337	113,237	105,304	90,981	90,209	97,745	100,818	98,248	93,524	107,127	118,985	1,270,697

Line No.		2013												Total Actual
		January Actual	February Actual	March Actual	April Actual	May Actual	June Actual	July Actual	August Actual	September Actual	October Actual	November Actual	December Actual	
1	Total Schedule 26 Revenue	(691,376)	(1,052,581)	(919,400)	(965,645)	(882,286)	(1,024,940)	(1,158,294)	(1,364,832)	(1,321,728)	(1,254,756)	(970,949)	(951,821)	(12,558,608)
2														
3	Fargo 67.47%	(419,078)	(710,155)	(620,300)	(651,501)	(595,261)	(691,506)	(781,478)	(920,825)	(891,743)	(846,559)	(655,080)	(642,175)	(8,425,661)
4	Bemidji 18.03%	(271,365)	(189,728)	(165,722)	(174,057)	(159,032)	(184,745)	(208,783)	(246,011)	(238,241)	(226,170)	(175,014)	(171,566)	(2,410,434)
5	Cass Lake - Bemdji 13.01%	0	(136,962)	(119,632)	(125,650)	(114,803)	(133,365)	(150,717)	(177,592)	(171,983)	(163,269)	(126,340)	(123,851)	(1,544,164)
6														
7	Schedule 26 Revenue	(690,443)	(1,036,845)	(905,655)	(951,208)	(869,096)	(1,009,617)	(1,140,978)	(1,344,428)	(1,301,968)	(1,235,997)	(956,433)	(937,592)	(12,380,259)
8														
9	Minnesota Share 47.89%	(330,653)	(496,545)	(433,718)	(455,534)	(416,210)	(483,506)	(546,414)	(643,846)	(623,513)	(591,919)	(458,036)	(449,013)	(5,928,906)
10	Schedule 37	(7,693)	(11,914)	(11,914)	(11,914)	(11,914)	(11,914)	(11,826)	(11,826)	(11,826)	(11,826)	(11,826)	(11,826)	(138,219)
11	Schedule 38	(13,030)	(17,449)	(17,449)	(17,449)	(17,449)	(17,449)	(18,453)	(18,453)	(18,453)	(18,453)	(18,453)	(18,453)	(210,992)
12														
13	Schedule 37 & 38 Revenue	(20,723)	(29,363)	(29,363)	(29,363)	(29,363)	(29,363)	(30,278)	(30,279)	(30,279)	(30,279)	(30,279)	(30,278)	(349,211)
14														
15	Minnesota Share 47.89%	(9,924)	(14,062)	(14,062)	(14,062)	(14,062)	(14,062)	(14,500)	(14,501)	(14,501)	(14,501)	(14,501)	(14,500)	(167,237)

Attachment 14



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	\$0.39 <u>1.458</u>
Controlled Service	(b)	0.019069 ¢/kWh	N/A
Lighting	(c)	0.085292 ¢/kWh	N/A
All Other Service		0.126434 ¢/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	\$1.458
Controlled Service	(b)	0.069 ¢/kWh	N/A
Lighting	(c)	0.292 ¢/kWh	N/A
All Other Service		0.434 ¢/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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Notice to customers

Otter Tail Power Company incurs costs for regional transmission facilities that are necessary for reliable and economic service to our Minnesota customers. 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 beginning July 1, 2014. The table below shows the prior and new rates for all classes of customers.

Class	Prior Rate	July 1, 2014 Rate
Large General Service	\$0.391 per kw	\$1.458 per kw
Controlled Service	0.019¢ per kwh	0.069¢ per kwh
Lighting	0.085¢ per kwh	0.292¢ per kwh
All Other Service	0.126¢ per kwh	0.434¢ per kwh

For more information contact Customer Service at 800-257-4044 or place an inquiry from our web site at www.otpc.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
Docket No. E017/M-14-____**

I, Jana Emery, hereby certify that I have this day served a copy of the following, or a summary thereof, on Dr. Burl W. Haar 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
Petition**

Dated this **1st** day of **May, 2014**

/s/ JANA EMERY

Jana Emery
Regulatory Filing Coordinator
Otter Tail Power Company
215 South Cascade Street
Fergus Falls MN 56537
(218) 739-8879

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	Suite 4800 90 S 7th St Minneapolis, MN 55402-4129	Electronic Service	No	GEN_SL_Otter Tail Power Company_General Service List - Tariff Filing
Gary	Chesnut	gchesnut@agp.com	AG Processing Inc. a cooperative	12700 West Dodge Road PO Box 2047 Omaha, NE 681032047	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
Burl W.	Haar	burl.haar@state.mn.us	Public Utilities Commission	Suite 350 121 7th Place East St. Paul, MN 551012147	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

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Kavita	Maini	kmaini@wi.rr.com	KM Energy Consulting LLC	961 N Lost Woods Rd Oconomowoc, WI 53066	Electronic Service	No	GEN_SL_Otter Tail Power Company_General Service List - Tariff Filing
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
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