

Otter Tail Power Company (SD)
Electric Utility - South Dakota Retail Jurisdiction
Cost of Service Study
2014 Actuals

Current Income Tax Summary

	Total Company Electric	SD Retail Electric	All Others
Income Before Taxes			
Total Operating Revenues	\$391,226,694	\$34,304,308	\$356,922,386
less: Total Operating Expenses	(265,322,533)	(23,852,752)	(241,469,781)
Book Depreciation & Amortization	(44,062,540)	(4,089,312)	(39,973,228)
Taxes (Other Than Current Income)	(13,120,131)	(1,095,560)	(12,024,570)
Total Before Tax Book Income	\$68,721,491	\$5,266,684	\$63,454,807
less: Interest Cost	23,561,389	2,507,778	21,053,610
Net Income Before Tax	\$45,160,102	\$2,758,906	\$42,401,197
Federal Schedule M Adjustments			
Additional Tax Depreciation	\$19,782,186	\$1,794,235	\$17,987,951
Cost to Remove	2,905,739	263,549	2,642,190
Directly Assigned Schedule M Items	(267,951)	(4,729)	(263,222)
Accrued Vacation Pay	638,777	57,937	580,840
Charges - Operating Reserves	6,436,040	583,746	5,852,294
Provisions - Operating Reserves	(7,349,436)	(666,590)	(6,682,845)
Unbilled Revenues	0	0	0
Preferred Dividends Paid Credits	0	0	0
Other Schedule M Items	13,353,404	1,211,148	12,142,256
Total Schedule M Adjustments	\$35,498,759	\$3,239,295	\$32,259,464
Federal Adjusted Income Before Income Taxes	9,661,343	(480,389)	10,141,733
Less:			
Minnesota State Income Tax	1,048,285	0	1,048,285
North Dakota State Income Tax	240,447	0	240,447
Federal Taxable Income	8,372,611	(480,389)	8,853,001
Federal Tax Rate	35%	35%	35%
Federal Income Tax Before Credits	2,930,414	(168,136)	3,098,550
Investment Tax Credit - Debits Utilized	0	0	0
Federal Income Taxes	\$2,930,414	(\$168,136)	\$3,098,550
State Income Taxes			
Minnesota State Income Tax	1,048,285	0	1,048,285
North Dakota State Income Tax	240,447	0	240,447
Total Current Income Taxes	\$4,219,146	(\$168,136)	\$4,387,282