**Otter Tail Power Company**

**2016 True-Up Review Questions**

**Attachment O**

1. **Page 2, Line 19 – Account No. 281 – Work paper 4** – This line references FF1 273.8.k which shows no value in column (b) and column (k). The value shown as the 12/31/2016 balance on the work paper is from FF1 273.17.k. This amount is listed under Pollution Control Facilities for Gas. It appears that the correct value for the Attachment O is zero. Please explain this difference.

**OTP Response:**

The FERC Form 1 was found to be in error. The above-mentioned account should have been located in the Electric section and not the Gas section. Therefore, the Attachment O is correct.

1. **Page 3, Line 14 – Payroll Taxes** – Please confirm that payroll taxes have been functionalized and are included elsewhere on Attachment O.

**OTP Response:**

Yes, Payroll Taxes are functionalized.

**Attachment GG**

1. **Page 2, Line 1b, Columns (3) and (6) – Fargo CapX 2020 Project** – The Project Gross Plant and Project Net Plant do not tie to the Attachment GG Reporting Form. Please review and correct.

**OTP Response:** OTP has corrected the Fargo plant balances for Attachment GG Reporting Form to reflect the Attachment O workpapers and Attachment GG.

1. **Page 2, Column (11) – True-Up Adjustment** – These numbers should tie to the revised 2014 True-Up calculation due to the ROE revision. The revised Total True-Up was $(987,315).

**OTP Response:** This has been corrected on both the 12.38% and the 10.82% ROE versions.

**Attachment MM**

1. **Page 2, Column (15) – True-Up Adjustment** – These numbers should tie to the revised 2014 True-Up calculation due to the ROE revision. The revised Total True-Up was $(55,156).

**OTP Response:** This has been corrected on both the 12.38% and the 10.82% ROE versions.

**2016 True-up calculation**

1. **Attachment O - Net Projected 2016 Rev Req – at 12.38%.** This number should tie to the revised 2016 Projection calculation due to the ROE revision utilized for the ROE Billing Adjustments. You have listed your original projection, $28,776,242. The revised projection at 12.38% is $29,239,249.

**OTP Response:** This has been corrected.

1. **Attachment O - Net Projected 2016 Rev Req – at 10.82%.** This number should tie to the revised 2016 Projection calculation due to the ROE revision utilized for the ROE Billing Adjustments. You have listed your original projection adjusted for an ROE of 10.82%, $28,776,242. The revised projection at 10.82% is $27,243,167.

**OTP Response:** This has been corrected

1. **Attachment GG – Actual Attachment GG Rev Req for True-Up Year (both 10.82% and 12.38%)**- It appears that you have used the amount from column (12) in this place. The correct amount should be from column (10) of Page 2 of the Actual Attachment GG. Please review and correct this.

**OTP Response:** This has been corrected.

1. **2016 Attachment GG True-Up Adjustment (both 12.38% and 10.82%) – Rows 2a – 2g, column (e)** – The numbers in these lines for this column should match column 10 from the 2016 Projections that were revised as part of the ROE Billing adjustments. The total should be $18,838,463 for 12.38% and $17,523,084 for 10.82%. Please review and correct.

**OTP Response:** This has been corrected.

1. **2016 Attachment GG True-Up Adjustment (both 12.38% and 10.82%) – Rows 2a – 2g, column (g)** – The numbers in these lines for this column should match column 10 from the 2016 Actual submission. It appears that you used column 12. The total should be $18,629,106 for 12.38% and $17,353,230 for 10.82%. Please review and correct.

**OTP Response:** This has been corrected.

1. **2016 Attachment MM True-Up Adjustment (10.82% only) – Rows 2a – 2g, column (e)** – The numbers in these lines for this column should match page 2, column 14 of the Attachment MM for the 2016 Projections that were revised to 10.82% as part of the ROE Billing adjustments (9/28/16 thru 12/31/16). The total should be $12,444,859. Please review and correct.

**OTP Response:** This has been corrected.

**Schedule 1**

1. **Interest calculation** – Since this is an Over Collection you should be using the FERC rate to calculate interest for the True-Up. It appears that you are using your ST Debt Rate for this calculation. Also, please make sure to include May and June of 2017 for this Schedule.

**OTP Response:** OTP has made the correction to use the FERC interest rate for the over collection seen with Schedule 1.