**Otter Tail Power Company Responses**

**to Questions from October 27, 2017 Customer Meeting**

**on Otter Tail’s 2018 Forward Looking Test Year**

**November 2, 2017**

**Question: What are the major contributors to the increase in Revenue Credits between 2017 and 2018?**

Answer: The largest contributor to the increased revenue credits in 2018, as compared to 2017, is related to increased revenues stemming from a third-party load served through Otter Tail’s transmission facilities moving from grandfathered status to non-grandfathered status at the end of 2017. Due to this change, Otter Tail forecasts higher revenue credits in 2018 than were projected in 2017 since Otter Tail will receive a portion of the MISO transmission service charges that will be paid by this third party during 2018. These higher revenue credits will result in a larger offset to Otter Tail’s 2018 projected annual transmission revenue requirement.

**Question: Should MISO Schedule 9 revenues be included in the Revenue Credits calculation for Otter Tail’s 2018 Forward Looking Annual Transmission Revenue Requirement?**

Answer: Yes. MISO Schedule 9 revenues received by Otter Tail are classified and accounted for under FERC account 456.1. Revenues classified under FERC account 456.1 are categorized as revenue credits in Otter Tail’s Attachment O on Page 1, line 3, and applied as an offset to Otter Tail’s 2018 projected annual transmission revenue requirement.