

January 16, 2008

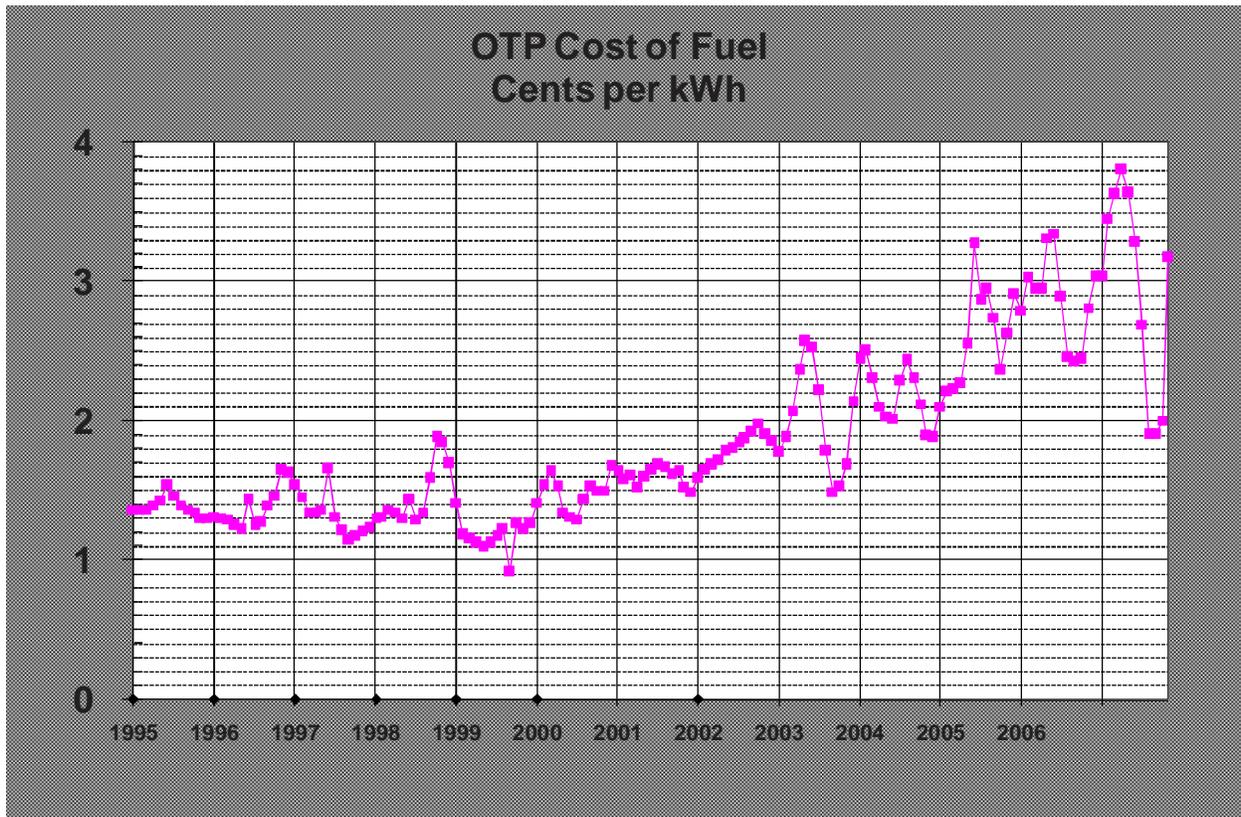
**Otter Tail Corporation
January 2008
Fuel Cost Adjustment**

Case No. PU-07-794

Otter Tail Corporation increased its electric fuel cost adjustment by 1.17 cents per kWh from 0.36 cents per kWh. The resulting fuel cost adjustment for the month of January is 1.53 cents per kWh. Otter Tail attributes the increase largely to seasonal purchases of off-system energy and purchases of replacement energy to offset the loss of Otter Tail's Big Stone plant, which was down for extended maintenance during November and December of 2007

Combining Otter Tail's fuel cost adjustment with its 1.65 cents per kWh base cost of fuel already included in base tariff rates brings Otter Tail's total average cost of fuel and purchased energy for billing during the month of January to 3.08 cents per kWh as shown on the graph below.

As a result of this change, the electric bill for a typical Otter Tail residential customer consuming 750 kWh per month will increase by \$8.78 for bills rendered in the month of January.



JRL