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May 8, 2008

VIA REGULAR MAIL & EMAIL

Ilona Jeffcoat-Sacco
Executive Secretary
North Dakota Public Service Commission
State Capitol
Bismarck, ND 58505

**Re: Montana Dakota Utilities Co., and Otter Tail Corporation; Advance
Determination of Prudence, Big Stone II Generating Station
Case Nos. PU-06-481 and PU-06-482**

Dear Ms. Jeffcoat-Sacco:

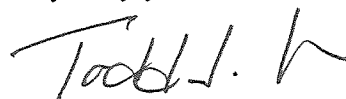
Enclosed for filing in the above matter please find an original and seven copies of the following:

1. Late Filed Exhibit OTP/MDU 353, along with an Affidavit of Service. This copy of OTP/MDU 353 includes a corrected version for Otter Tail's response filed yesterday. So please be advised that all parties should rely on this version instead of the version filed yesterday. Also, this copy of the Montana-Dakota response includes a table which illustrates natural gas and electricity use on an MMBTU basis for its residential customers. The response from yesterday had omitted the table and indicated the table would be provided today.

Please direct any questions to Montana-Dakota's Mr. Daniel Kuntz (701-530-1016), Otter Tail's Mr. Mark Bring (218-998-7152), or to the undersigned.

Thank you for your consideration.

Very truly yours,



Todd J. Guerrero

TJG/kas
cc: Attached Service List (w/encl.)

Doc# 2659719\1

321 PU-06-482 Filed 05/08/2008 Pages: 5
Late Filed OTP/MDU Exhibit 353
Otter Tail Corporation and Montana Dakota Utilities
Todd Guerrero, Lindquist & Vennum PLLP

Late Filed Exhibit OTP/MDU 353
MMBTU Calculation *Corrected*
Otter Tail Power Company

OTP/MDU Late Filed Exhibit 353 is provided in response to the Commission’s request that the Applicants provide their average ND residential customer usage of electricity versus natural gas usage. Some of the North Dakota communities in which Otter Tail provides electric service have natural gas as a fuel source, but the majority do not. For that reason, the average customer usage of electricity is provided both for communities with natural gas and for communities without natural gas.

The Commission requested that this information be provided on an MMBTU basis for comparative purposes. This is not typically how retail electric sales are measured. An MMBTU is a standard measurement to denote a unit of heat. While natural gas is used for a variety of heating applications, electricity is used for many applications including heating.

Consequently, the value attributed to the data when measured on an MMBTU basis should be measured accordingly.

| | kWh | MMBTU |
|---|--------------------------------------|--------------------------------------|
| Average usage per customer in towns with natural gas | 9,492 per year (791 per month) | 32.400 per year (2.700 per month) |
| Average usage per customer in towns with <u>no</u> natural gas | 14,364 per year (1,197 per month) | 49.020 per year (4.085 per month) |

The supporting documentation for the above tables is attached. The numbers provided in this response are derived from the residential revenue customer class. Please note that the annual kWhs are divided by the annual customer count (the sum of all customers for each month of the year), so the kWh per customer value is effectively a per month value.

Response prepared by Stacie Hebert, Manager, Supply Services.

Montana-Dakota Utilities Co.
Advance Determination of Prudence – Big Stone II Generating Station
Case Nos. PU-06-481 and PU-06-482

OTP/MDU Exhibit 353

OTP/MDU Exhibit No. 353 is provided in response to the North Dakota Public Service Commission’s request for the average residential natural gas use and average electricity use of customers served by Montana-Dakota.

Montana-Dakota’s total customer base in North Dakota is comprised of 122,806 customers with 34% combinations service customers i.e., Montana-Dakota is providing both natural gas and electricity, 40% are served with natural gas only by Montana-Dakota and 26% served with electricity only by Montana-Dakota. This equates to 74% of Montana-Dakota’s customer base utilizing natural gas. Where Montana-Dakota is providing natural gas service, natural gas is the primary source of heating for those customers.

The following table illustrates natural gas and electricity use on an MMBTU basis for residential customers served by Montana-Dakota. The residential electric use has been equated to an Mmbtu basis as requested however, a majority of the electric use is not heat related. The comparison between electric usage shown below, demonstrates that Montana-Dakota has a very low saturation of electric space heating on its system as a customer utilizing electricity for space heating will typically use 19,000 Kwh for space heating in addition to other electric use in the household.

| | Kwh | Mmbtu |
|---|--------|-------|
| Electricity Annual Use/Customer | | |
| Average use per customer in communities where Montana-Dakota provides natural gas service | 8,809 | 30.1 |
| Average use per customer in communities where Montana-Dakota does not provide natural gas service | 13,093 | 44.7 |
| Natural Gas Annual Use/Customer | | |
| Typical use per customer for space heating, water heating, etc. | | 102.7 |

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

Otter Tail Corporation, Advance
Determination of Prudence
Application

AFFIDAVIT OF SERVICE

Montana-Dakota Utilities Co.,
a Division of MDU Resources Group,
Inc., Advance Determination of Prudence
Application

Case Nos. PU-06-481, PU 06-482

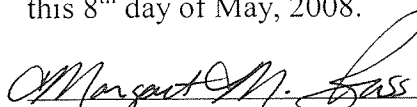
Kristen A. Swenson, of the City of Minneapolis, County of Hennepin, in the State of Minnesota, being duly sworn on oath says: that on the 8th day of May, 2008, she served the following:

Late Filed Exhibit OTP/MDU 353; and
an Affidavit of Service.

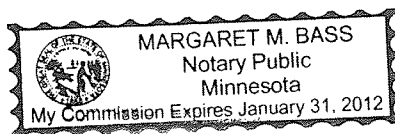
A copy has also been served upon the attached service list via electronic mail and U.S. Mail.



Subscribed and sworn to before me
this 8th day of May, 2008.



Notary Public



STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

Otter Tail Corporation, Advance
Determination of Prudence
Application

SERVICE LIST

Montana-Dakota Utilities Co.,
a Division of MDU Resources Group,
Inc., Advance Determination of Prudence
Application

Case Nos. PU-06-481, PU 06-482

Illona Jeffcoat-Sacco
Executive Secretary
North Dakota Public Service Commission
State Capitol
Bismarck, ND 58505

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