

215 South Cascade Street  
PO Box 496  
Fergus Falls, Minnesota 56538-0496  
218 739-8200  
www.otpco.com (web site)

RECEIVED

JUN 04 2008

PUBLIC SERVICE COMMISSION



June 4, 2008

Ms. Ilona Jeffcoat-Sacco  
Executive Secretary  
North Dakota Public Service Commission  
State Capitol - 600 East Boulevard  
Bismarck, ND 58505-0480

RE: Review of Otter Tail Power Company's Fuel Clause  
Case No. PU-08-130

Dear Ms. Jeffcoat-Sacco:

During the May 28, 2008, Informal Hearing on the above matter, Commissioners or staff requested additional information on five items. The information is provided below.

**1. Were any Otter Tail Corporation unregulated subsidiaries involved in the work done at Big Stone Plant during the fall 2007 outage?**

No.

**2. What percent of energy was purchased from the market for December 2007?**

In December 2007, Otter Tail needed 425,492 MWh of energy for retail customers. Of that amount, 214,778 MWh were purchases. The amount of purchases included forward purchases we made when the shortfall in our own generation was identified, first to cover higher sales caused by colder weather and later for the Big Stone outage, and spot market purchases. Spot market purchases were 103,178 MWh, or 24 percent of total retail energy for the month.

**4**    **PU-08-130**    Filed: 6/4/2008    Pages: 3  
**Letter w/or re Additional Information Requested at  
May 28 Informal Hearing**

Otter Tail Corporation

**3. What were the non-asset wholesale margins in November and December 2007?**

Otter Tail incurred gross margins losses in its non-asset wholesale margins in the amounts shown.

November: loss of \$805,575  
 December: loss of \$76,764

**4. What were the actual FCA rates that correspond to the forecast rates shown on Attachment 1-3 of the May 15, 2008, Report?**

The following table shows both the forecast FCA rates and the actual FCA rates for the months of October 2007 through June 2008.

	Minnesota		North Dakota		South Dakota	
	Forecast	Actual	Forecast	Actual	Forecast	Actual
October 2007	\$0.006	\$0.00552	\$0.003	\$0.0026	\$0.005	\$0.00539
November 2007	\$0.011	\$0.00416	\$0.010	\$0.0026	\$0.009	\$0.00612
December 2007	(\$0.001)	(\$0.00384)	\$0.006	\$0.0036	\$0.008	\$0.00812
January 2008	\$0.013	\$0.00568	\$0.020	\$0.0153	\$0.017	\$0.01341
February 2008	\$0.014	\$0.01911	\$0.026	\$0.0350	\$0.019	\$0.02143
March 2008	\$0.005	\$0.01205	\$0.025	\$0.0343	\$0.019	\$0.01957
April 2008	\$0.003	\$0.00251	\$0.024	\$0.0310	\$0.014	\$0.01740
May 2008	\$0.000	\$0.00101	\$0.015	\$0.0227	\$0.012	\$0.01400
June 2008	(\$0.003)	(\$0.00428)	\$0.010	\$0.0125	\$0.012	\$0.01456

**5. How much energy was produced for retail from the Solway peaking plant during the outage?**

The following table shows the total MWh generated and the breakdown between retail and wholesale use for the months of November and December 2007.

	Total MWh	Retail	Wholesale	Retail %
November	6,476	3,478	2,998	54%
December	7,136	6,200	936	87%

Ms. Illona Jeffcoat-Sacco  
June 4, 2008  
Page 3

To help put this information into perspective, the table below shows the generation from the Solway plant by month for the entire year of 2007.

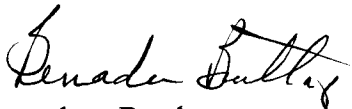
Solway 2007 generation - MWh				
2007	Total MWh	Retail	Wholesale	Retail %
January	4,715	2,458	2,257	52%
February	9,053	5,234	3,819	58%
March	2,630	1,989	641	76%
April	5,820	4,485	1,335	77%
May	691	130	560	19%
June (*)	0			
July	3,284	2,686	598	82%
August	8,107	3,298	4,810	41%
September	3,413	1,898	1,515	56%
October	2,494	1,046	1,448	42%
November	6,476	3,478	2,998	54%
December	7,136	6,200	936	87%
Total	53,818	32,901	20,917	61%
(*) down for maintenance				

We can provide updated information on one other item. There was a question as to the amount of damages that Otter Tail is seeking in its lawsuit with Alstom. That amount has now been calculated to be about \$3 million.

I am providing this information both by U.S. mail (original + 7 copies) and electronically to you at [ijjs@nd.gov](mailto:ijjs@nd.gov) and to [ndpsc@nd.gov](mailto:ndpsc@nd.gov).

If there is additional information that we can provide, we will be glad to do so. You can contact me at (218) 739-8289 or [bbrutlag@otpc.com](mailto:bbrutlag@otpc.com).

Very truly yours,



Bernadeen Brutlag  
Manager, Regulatory Services

Enclosure

C: Mike Diller