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VIA ELECTRONIC DELIVERY

April 28, 2008

Ms. Illona Jeffcoat-Sacco
Executive Secretary
North Dakota Public Service Commission
600 E. Boulevard Ave., Dept. 408
Bismarck, ND 58505-0480

Dear Ms. Jeffcoat-Sacco:

For the four-month period ending March 31, 2008, the rate for the Cost of Energy Adjustment is \$.0227 per kWh. Otter Tail Power Company proposes to bill at this rate effective May 1, 2008.

The following additional information is provided:

Average costs from previous month's adjustment:	\$.047436
Average costs from current month's adjustment:	\$.039163
Difference – (Increase) Decrease:	\$.008273

The net effect of this fuel adjustment is to decrease the rate by \$.0083. The total resulting adjustment for the current billing period will then be \$.0227 per kWh.

Details supporting the adjustment are enclosed. The costs reported in the supporting detail are based upon the provisions of the Cost of Energy Adjustment Clause approved by the Commission on May 2, 1983, in Case No. 10,334. Additionally, Midwest ISO Day 2 costs are accounted for as authorized by the Commission's Order in Case No. PU-05-131 issued on August 8, 2007. A detailed schedule of the items included in the calculation is enclosed.

Ms. Illona Jeffcoat-Sacco
April 28, 2008
Page Two

Otter Tail Power Company submits seven (7) copies each of the following:

- 1) Calculation of the May 2008 Cost of Energy Adjustment Clause based on the four-month period ending March 2008.
- 2) Monthly Detail of MISO Day 2 Charges by Charge Type for ND FCA marked as Attachment A.
- 3) Monthly MISO Day 2 Charges for ND Fuel Clause Adjustment marked as Attachment B.
- 4) Monthly MISO Day 2 Charges for ND Non-Fuel Clause Adjustment marked as Attachment C.
- 5) Detail of MISO Day 2 Charges by Charge Group for Current Month marked as Attachment D.

Included in the March mwh calculation is a net adjustment of 2,322 mwh from November 2007. This adjustment was not picked up on the original filed with an effective date of January 3, 2008.

- 6) Otter Tail Power Company's Plant Conditions for February and March 2008 marked as Attachment E.

Sincerely,



Jill R. Bjorgum
Regulatory Transactions Specialist
Regulatory Services

Enclosures

cc: Lisa Zeimer – electronic copy

NORTH DAKOTA
 OTTER TAIL POWER COMPANY
 COST OF ENERGY ADJUSTMENT
 FOR BILLING TO BE EFFECTIVE MAY 1, 2008

EFFECTIVE 5/01/08
 CYCLE '1'
 RATE LEVEL 44

ENERGY COSTS	2007 December	2008 January	2008 February	2008 March	Total This Period
Purchased Power	\$ 6,649,015	\$ 11,782,537	\$ 10,272,850	\$ 3,494,943	\$ 32,199,345
Steam Plant Generation	\$ 3,565,157	\$ 6,039,616	\$ 5,745,760	\$ 6,069,064	\$ 21,419,597
Other Plant Generation	\$ 1,117,299	\$ 585,061	\$ 734,992	\$ 729,219	\$ 3,166,571
Hydro Plant Generation	\$ -	\$ -	\$ -	\$ -	\$ -
Coyote Coal Conv. Tax	\$ 25,910	\$ 25,910	\$ 24,239	\$ 25,910	\$ 101,969
Less: Intersystem Sales	\$ (5,781,171)	\$ (9,486,708)	\$ (8,425,936)	\$ (2,327,191)	\$ (26,021,006)
Net Retail MISO Day 2	\$ 14,327,439	\$ 4,346,967	\$ 5,187,810	\$ 1,570,933	\$ 25,433,149
NET ENERGY COSTS	\$ 19,903,648	\$ 13,293,383	\$ 13,539,715	\$ 9,562,879	\$ 56,299,625

Prior (over) under recovery \$ 2,392,949

Adjusted Net Energy Costs \$ 58,692,575

ASSOCIATED ENERGY -- KWH

Net Generation - Steam	188,744,559	355,097,753	328,961,501	340,695,941	1,213,499,754
Other Plant IC Generation	7,585,293	5,107,558	6,183,712	6,645,337	25,521,900
Hydro Plant Generation	1,524,064	1,763,564	1,629,307	2,058,211	6,975,146
Wind	167,205	6,465,931	7,141,670	10,635,518	24,410,324
Purchased Power	390,143,013	495,291,448	529,475,346	488,417,260	1,903,327,067
Total Energy	588,164,134	863,726,254	873,391,536	848,452,267	3,173,734,191
Less Intersystem Sales	(384,944,792)	(470,458,788)	(510,720,804)	(474,043,733)	(1,840,168,117)
Net Retail MISO Day 2	222,272,924	74,279,616	64,517,999	8,391,733	369,462,272
Net Energy - KWHs	425,492,266	467,547,082	427,188,731	382,800,267	1,703,028,346

Energy Adjusted to Retail Sales (Net Energy X (1.00 - .12)) 1,498,664,944

Delivered Cost per kWh \$ 0.039163

Base Cost per kWh \$ 0.016473

Energy Cost Adjustment -- Per kWh **\$ 0.0227**

TRUE UP FOR MARCH

1) Net Energy (kWhs) Less 12% Losses	336,864,235
2) Net Energy Costs for the System -- Most recent month	\$ 9,562,879
3) Base Cost Recovered (1 X Base Cost of Fuel)	\$ 5,549,165
4) Net to be Recovered from COE (2 - 3)	\$ 4,013,714
5) COE Recovery Rate Effective for March	\$ 0.0343
6) Amount Recovered by COE (5 X 1)	\$ 11,554,443
7) Over / (Under) Recovery (4 - 6)	\$ 7,540,729
8) Cumulative Over / (Under) Recovery	\$ (2,392,949)

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V:\Regulatory_Services\Cost of Energy\Monthly COE\MISO Allocation\Mar 2008 MISO Day 2 Allocation.xls]ND Public By Charge Type
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Otter Tail Power Company
Monthly Detail of MISO Day 2 Charges by Charge Type for ND FCA
March 2008* includes any adjustments

DoC No.	Line #	Charge Type Description	Acct	Total	FCA			Non-FCA
					Retail	Other	Total	
1	2	DA Asset Energy Amt	555.02		\$ 3,800,146.98	\$ -	\$ 3,800,146.98	
5	9	DA Non-asset Energy Amt	555.09		\$ (644,466.42)	\$ -	\$ (644,466.42)	
12	12	DA Virtual Energy Amt	555.12		\$ -	\$ -	\$ -	
13	19	RT Asset Energy Amt	555.19		\$ (2,279,682.00)	\$ -	\$ (2,279,682.00)	
22	26	RT Non-Asset Energy Amt	555.26		\$ 27,498.66	\$ -	\$ 27,498.66	
27	32	RT Virtual Energy Amt	555.32		\$ -	\$ -	\$ -	
ENERGY CHARGES TOTAL				\$ 3,357,907.70	\$ 903,497.22	\$ -	\$ 903,497.22	\$ 2,454,410.48
4	1	DA Mkt Admin Amt	555.01		\$ 47,809.47	\$ -	\$ 47,809.47	
2	3	DA FBT Congestion Amt	555.03		\$ 30,672.12	\$ -	\$ 30,672.12	
3	4	DA FBT Loss Amt	555.04		\$ 1,325,481.58	\$ -	\$ 1,325,481.58	
6	5	DA Congestion Rebate on COGA	555.05		\$ -	\$ -	\$ -	
7	6	DA Losses Rebate on COGA	555.06		\$ -	\$ -	\$ -	
8	7	DA Congestion Rebate on Option B GFA	555.07		\$ (30,355.12)	\$ -	\$ (30,355.12)	
9	8	DA Losses Rebate on Option B GFA	555.08		\$ (659,648.42)	\$ -	\$ (659,648.42)	
10	10	DA Revenue Sufficiency Guarantee Distribution Amt	555.10		\$ 14,489.31	\$ -	\$ 14,489.31	
11	11	DA Revenue Sufficiency Guarantee Make Whole Pymt Amt	555.11		\$ (2,034.49)	\$ -	\$ (2,034.49)	
29	13	FTR Mkt Admin Amt	555.13		\$ 3,202.85	\$ -	\$ 3,202.85	
28	14	FTR Hourly Allocation Amt	555.14		\$ (5,165.07)	\$ -	\$ (5,165.07)	
30	15	FTR Monthly Allocation Amt	555.15		\$ (202.53)	\$ -	\$ (202.53)	
31	16	FTR Monthly Transaction Amt	555.16		\$ 27.93	\$ -	\$ 27.93	
32	17	FTR Yearly Allocation Amt	555.17		\$ -	\$ -	\$ -	
19	18	RT Mkt Admin Amt	555.18		\$ 4,043.42	\$ -	\$ 4,043.42	
15	20	RT FBT Congestion Amt	555.20		\$ -	\$ -	\$ -	
16	21	RT FBT Loss Amt	555.21		\$ -	\$ -	\$ -	
17	22	RT Congestion Rebate on COGA	555.22		\$ -	\$ -	\$ -	
18	23	RT Loss Rebate on COGA	555.23		\$ -	\$ -	\$ -	
14	24	RT Distribution of Losses Amt	555.24		\$ (207,619.69)	\$ -	\$ (207,619.69)	
20	25	RT Misc Amt	555.25		\$ 0.05	\$ -	\$ 0.05	
21	27	RT Net Inadvertent Amt	555.27		\$ 32,105.90	\$ -	\$ 32,105.90	
23	28	RT Revenue Neutrality Uplift Amt	555.28		\$ 76,232.16	\$ -	\$ 76,232.16	
24	29	RT Revenue Sufficiency Guarantee First Pass Distribution Amt	555.29		\$ 93,421.93	\$ -	\$ 93,421.93	
25	30	RT Revenue Sufficiency Guarantee Make Whole Pymt Amt	555.30		\$ -	\$ -	\$ -	
26	31	RT Uninstructed Deviation Amt	555.31		\$ 30.36	\$ -	\$ 30.36	
ENERGY CHARGES TOTAL				\$ 589,402.15	\$ 722,491.76	\$ -	\$ 722,491.76	\$ (133,089.61)
TOTAL MISO DAY 2 CHARGES				\$ 3,947,309.85	\$ 1,625,988.98	\$ -	\$ 1,625,988.98	\$ 2,321,320.87
Less Schedule 16 & 17 (Lines 1, 13, and 18)				\$ -	\$ (55,055.74)	\$ -	\$ (55,055.74)	\$ -
TOTAL FOR ND COST OF ENERGY ADJUSTMENT				\$ 3,947,309.85	\$ 1,570,933.24	\$ -	\$ 1,570,933.24	\$ 2,321,320.87

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V:\Regulatory_Services\Cost of Energy\Monthly COE\MISO Allocation\Mar 2008 MISO Day 2 Allocation.xls\ND Public By Charge Group										
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Otter Tail Power Company										
Detail of MISO Day 2 Charges by Charge Group for Current Month										
March 2008* includes any adjustments										
DoC No.	Line #	Charge Type Description	(A) Acct	(B) Retail Debits	(C) Retail Credits	(D) Retail Adjustments	(E) Net Retail	(F) Net Intersystem	(G) Total	(H)** Charge types with MWH for Retail
Day Ahead & Real Time Asset & Non Asset Energy & Loss										
1	2	DA Asset Energy Amt	555.02	\$ 40,353,493.38	\$ (36,553,346.40)	\$ -	\$ 3,800,146.98			632,663 (583,022)
3	4	DA FBT Loss Amt	555.04	\$ 1,325,481.58	\$ -	\$ -	\$ 1,325,481.58			-
5	9	DA Non-asset Energy Amt	555.09	\$ 1,018,639.49	\$ (1,663,105.91)	\$ -	\$ (644,466.42)			16,075 (22,530)
13	19	RT Asset Energy Amt	555.19	\$ 776,047.94	\$ (2,745,205.49)	\$ (310,524.45)	\$ (2,279,682.00)			12,757 (43,183)
14	24	RT Distribution of Losses Amt	555.24	\$ -	\$ (214,188.55)	\$ -	\$ 6,568.86			-
16	21	RT FBT Loss Amt	555.21	\$ -	\$ -	\$ -	\$ -			-
22	26	RT Non-Asset Energy Amt	555.26	\$ 372,411.72	\$ (344,913.06)	\$ -	\$ 27,498.66			6,474 (5,947)
TOTAL				\$ 43,846,074.11	\$ (41,520,759.41)	\$ (303,955.59)	\$ 2,021,359.11	\$ -	\$ -	667,969 (654,682)
Virtual Energy										
12	12	DA Virtual Energy Amt	555.12	\$ -	\$ -	\$ -	\$ -			-
27	32	RT Virtual Energy Amt	555.32	\$ -	\$ -	\$ -	\$ -			-
TOTAL				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Schedules 16 & 17										
4	1	DA Mkt Admin Amt	555.01	\$ 47,809.47	\$ -	\$ -	\$ 47,809.47			-
19	18	RT Mkt Admin Amt	555.18	\$ 3,719.85	\$ -	\$ 323.57	\$ 4,043.42			-
29	13	FTR Mkt Admin Amt	555.13	\$ 3,109.95	\$ -	\$ 92.90	\$ 3,202.85			-
TOTAL				\$ 54,639.27	\$ -	\$ 416.47	\$ 55,055.74	\$ -	\$ -	-
Congest & FTRs										
2	3	DA FBT Congestion Amt	555.03	\$ 44,046.61	\$ (13,374.49)	\$ -	\$ 30,672.12			-
15	20	RT FBT Congestion Amt	555.20	\$ -	\$ -	\$ -	\$ -			-
28	14	FTR Hourly Allocation Amt	555.14	\$ 779.20	\$ (895.37)	\$ (5,048.90)	\$ (5,165.07)			-
30	15	FTR Monthly Allocation Amt	555.15	\$ -	\$ (400.81)	\$ 198.28	\$ (202.53)			-
32	17	FTR Yearly Allocation Amt	555.17	\$ -	\$ -	\$ -	\$ -			-
31	16	FTR Monthly Transaction Amt	555.16	\$ 284.07	\$ (256.14)	\$ -	\$ 27.93			-
TOTAL				\$ 45,109.88	\$ (14,926.81)	\$ (4,850.62)	\$ 25,332.45	\$ -	\$ -	-
RSG & Make Whole Payments										
10	10	DA Revenue Sufficiency Guarantee Distribution Amt	555.10	\$ 14,489.31	\$ -	\$ -	\$ 14,489.31			-
11	11	DA Revenue Sufficiency Guarantee Make Whole Pymt Amt	555.11	\$ -	\$ (2,034.49)	\$ -	\$ (2,034.49)			-
24	29	RT Revenue Sufficiency Guarantee First Pass Distribution Amt	555.29	\$ 74,836.41	\$ -	\$ 18,585.52	\$ 93,421.93			-
25	30	RT Revenue Sufficiency Guarantee Make Whole Pymt Amt	555.30	\$ -	\$ -	\$ -	\$ -			-
TOTAL				\$ 89,325.72	\$ (2,034.49)	\$ 18,585.52	\$ 105,876.75	\$ -	\$ -	-
Revenue Neutrality Uplift										
23	28	RT Revenue Neutrality Uplift Amt	555.28	\$ 111,171.76	\$ (4,320.58)	\$ (30,619.02)	\$ 76,232.16			-
TOTAL				\$ 111,171.76	\$ (4,320.58)	\$ (30,619.02)	\$ 76,232.16	\$ -	\$ -	-
Other Charges										
20	25	RT Misc Amt	555.25	\$ -	\$ -	\$ 0.05	\$ 0.05			-
21	27	RT Net Inadvertent Amt	555.27	\$ 12,690.61	\$ (7,166.94)	\$ 26,582.23	\$ 32,105.90			-
26	31	RT Uninstructed Deviation Amt	555.31	\$ 30.36	\$ -	\$ -	\$ 30.36			-
TOTAL				\$ 12,720.97	\$ (7,166.94)	\$ 26,582.28	\$ 32,136.31	\$ -	\$ -	-
Grandfathered Charge Types										
6	5	DA Congestion Rebate on COGA	555.05	\$ -	\$ -	\$ -	\$ -			-
7	6	DA Losses Rebate on COGA	555.06	\$ -	\$ -	\$ -	\$ -			-
8	7	DA Congestion Rebate on Option B GFA	555.07	\$ 7,695.75	\$ (38,050.87)	\$ -	\$ (30,355.12)			-
9	8	DA Losses Rebate on Option B GFA	555.08	\$ -	\$ (659,648.42)	\$ -	\$ (659,648.42)			-
17	22	RT Congestion Rebate on COGA	555.22	\$ -	\$ -	\$ -	\$ -			-
18	23	RT Loss Rebate on COGA	555.23	\$ -	\$ -	\$ -	\$ -			-
TOTAL				\$ 7,695.75	\$ (697,699.29)	\$ -	\$ (690,003.54)	\$ -	\$ -	-
33	TOTAL MISO DAY 2 CHARGES			\$ 44,166,737.46	\$ (42,246,907.52)	\$ (293,840.96)	\$ 1,625,988.98	\$ 2,321,320.87	\$ 3,947,309.85	667,969 (654,682)
34	Less Schedule 16 & 17 (Lines 1, 13, and 18)			\$ (54,639.27)	\$ -	\$ (416.47)	\$ (55,055.74)			
35	November 2007 kWh correction ****									3,112 (790)
	TOTAL FOR ND COST OF ENERGY ADJUSTMENT			\$ 44,112,098.19	\$ (42,246,907.52)	\$ (294,257.43)	\$ 1,570,933.24			
36	Net MISO Charges for Retail = (B) 35+ (C) 35 + (D)35				\$ 1,570,933.24					
37	Net KWH for retail = ((G) 33 + (H) 33) * 1,000				\$ 15,609,401					15,609,401
* covers time period of 02-27-08 to 03-27-08 ** increased for losses of 2.8%										
Net MISO KWH (adjusted cumulatively)										
MISO Book Totals				\$ 1,865,190.67	\$ 15,609,401					
March Adjustments				\$ (294,257.43)	\$ (7,217,667)					
Total MISO				\$ 1,570,933.24	\$ 8,391,733					

**** The November 2007 kWh correction is an adjustment that was not picked up in November calculation filed in our cost of energy effective January 2008.

Otter Tail Power Company
Plant Conditions

Plant Conditions for March 2008

Big Stone:

The Unit generated 332,993 net MWH for the month, which was a new Plant record for energy produced in a single month. Availability was 99.9% and our equivalent availability was 96.6%. Fuel prices were about 5% under budget.

Coyote:

The Unit generated 246,036 MWH net for the month of March, which was 1.8% above budget. Availability for the month was 87.8% due to a scheduled boiler wash outage and a primary superheat tube leak outage. The Unit was derated a total of 11,983 MWH for equipment issues and dispatch load reductions totaled 14,142 MWH for the month of March. Derating the Unit due to coal quality accounted for 4,358 MWH. Turbine copper deposits, startup boiler chemistry and miscellaneous equipment issues accounted for 4,001 MWH, 1,673 MWH and 1,951 MWH of derates; respectively. Fuel costs were 2% above budget for the month.

Hoot Lake:

The plant produced 77,714 MWh net for the month of March. Plant generation was 13.3 percent above budget for the month. Plant availability was 86.1 percent as unit #2 came down for an overhaul on March 21st. The end date for the overhaul is May 24th. Fuel costs were slightly under budget.

Plant Conditions for February 2008

Big Stone:

The Unit generated 305,998 net MWH for the month. Availability was 99.6% and our equivalent availability was 94.6%. The Unit was forced off on three separate occasions, all due to control system glitches. Total outage time was 3.1 hours. On February 20, the Unit was derated for 9.5 hours due to an outage of the Gary 230 KV outlet. The Unit remains derated to 460 net MW due to ID fan limitations caused by higher than normal air heater pressure drop, air heater leakage and lower than normal boiler efficiency. On a couple of occasions, the Unit was derated to 450 net MW due to high baghouse pressure drop. Additional derates are anticipated as the weather warms. The replacement of the air heater cold end baskets during the spring outage in May will provide some improvement. Fuel prices were about 4% under budget.

Otter Tail Power Company
Plant Conditions

Plant Conditions for February 2008 (continued)

Coyote:

The Unit generated 241,345 MWH net for the month of February. Availability for the month was 90.2% due to two forced outages. A wall tube leak caused one outage and the other outage was due to a secondary superheat spacer tube leak. The equivalent availability was 87.5% for the month of February. Fuel costs were on budget for the month.

Hoot Lake:

The plant produced 80,536 MWh net for the month of February. This generation resulted in a net capacity factor of 92.6 percent and a Plant availability of 95.9 percent. Fuel costs were about 3% under budget.