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RECEIVED

DEC 19 2008

December 19, 2008

PUBLIC SERVICE COMMISSION

Darrell Nitschke  
Executive Secretary  
Public Service Commission  
State Capital  
600 East Boulevard, Dept. 408  
Bismarck, ND 58505-0480

SENT VIA ELECTRONIC FILING

**RE: Otter Tail Power Company's Annual Filing of Renewable Resource Cost Recovery Rider**  
**NDPSC Case No. PU-08-742**  
**Our File No.: 24677.001**

Dear Mr. Nitschke:

This letter is in follow up to the hearing in the above-referenced matter that was held on December 17, 2008, to clarify the positions of the North Dakota Large Industrial Energy Group with respect to the agreement we reached with Otter Tail Power. Also to clarify, in my filing on December 16, I inadvertently referred to our group as the Large Commercial Intervenors Group and intended to simply refer to the group as the North Dakota Large Industrial Energy Group.

It is my understanding that a question of our intent was raised related to whether this Renewable Resource Cost Recovery Rider will be *combined* with the Otter Tail General Rate Case in proceeding 08-862, or whether the two dockets would simply *run concurrent* with combined hearings and the same deadlines. My agreement with Otter Tail Power was not specific to that issue. It would be the Large Industrial Group's preference to have the cases combined as I believe administratively, it would be more straight forward.

Secondly, I understand the Commission wants clarity as to what issues the Large Industrial Group believes are moving forward. It was our intent that all issues related to the

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Letter Clarifying Positions of the ND Large Industrial  
Energy Group Regarding Agreement Reached with  
Otter Tail  
ND Large Industrial Energy Group

Darrell Nitschke  
December 19, 2008  
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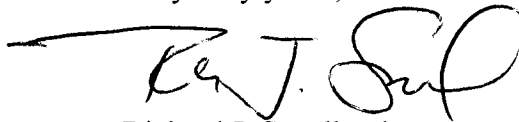
filing would be subject to discovery and be resolved at the time of the combined hearing, including, but not limited to, all issues related to a method of recovery (allocation factor), prudence of the project, appropriate location of recovery (base rates or a rider), etc.

We felt that it was of benefit to the ratepayers to have these issues resolved concurrently with the general rate case as it would be the most cost effective way to investigate and resolve any disputes associated with these proceedings which are so closely related. We also agreed not to oppose the Renewable Rider going into place at the time proposed by Otter Tail Power, subject to adjustment at the time of entering of a final order. The adjustment would not be held up until the next renewable rider filing.

We did not agree to or take a position on whether the Renewable Rider should be a separate line item or rolled into the Fuel Adjustment Clause. We believe it would be more appropriate to keep it separate.

If you have any other questions, please do not hesitate to contact me.

Very truly yours,

A handwritten signature in black ink, appearing to read "R. J. Savelkoul". The signature is written in a cursive style with a long horizontal stroke extending to the left.

Richard J. Savelkoul

RZS:vac