

**STATE OF NORTH DAKOTA**  
**PUBLIC SERVICE COMMISSION**

**Otter Tail Corporation  
Renewable Resource Cost Recovery Rider 2009  
Tariff**

**Case No. PU-08-742**

**Otter Tail Corporation  
Electric Rate Increase  
Application**

**Case No. PU-08-862**

**NOTICE OF CONTINUED CONSOLIDATED HEARING**

**August 12, 2009**

**Case No. PU-08-742**

On September 2, 2008, Otter Tail Corporation (Otter Tail) filed an application for approval of the 2009 Renewable Resource Cost Recovery Rider (Rider) and an advance determination of prudence for its 48 MW ownership share in the Ashtabula Wind Energy Center, Case No PU-08-742. The effect of the Rider on a typical residential customer consuming 750 kilowatt-hours is \$3.82 per month.

On November 20, 2008, the Commission issued a Notice of Opportunity for Hearing. Written comments and a request for hearing were received from the North Dakota Large Industrial Energy Group, comprised of Goodrich Corporation, Cargill Corporation, Cavendish Farms, Inc., Archer Daniels Midland Company, ComDel Innovation, and Tharaldson Ethanol LLC. They indicated their intention to litigate the issues and asked that the Commission combine this case for hearing with the pending rate increase application filed by Otter Tail in Case No. PU-08-862, or hear the two matters on a schedule that allows the North Dakota Large Industrial Energy Group to more easily participate in both.

On January 14, 2009, intervention was granted to the North Dakota Large Industrial Energy Group. The Commission also ordered the hearing on Case No. PU-08-742 combined with the hearing on the pending rate increase application, Case No. PU-08-862, and approved the Rider on an interim basis, subject to review and revision as a result of the combined hearing.

## **Case No. PU-08-862**

On November 3, 2008, Otter Tail filed a Notice for Change in Rates for Electric Service under North Dakota Century Code Section 49-05-05 and North Dakota Administrative Code Section 69-09-02-01. Otter Tail proposes a \$6 million or 5 percent increase in its annual North Dakota electric revenues. The proposed rates would affect Otter Tail's service to all of its approximately 57,000 retail electric customers in the State of North Dakota.

On December 17, 2008 the Commission issued a Notice of Hearing, Public Input Sessions and Intervention Deadline in Case No. PU-08-862, scheduling the formal hearing to begin April 27, 2009.

## **Consolidated Case No. PU-08-742 and Case No. PU-08-862**

On March 11, 2009 the Commission continued the formal hearing on the consolidated cases to May 11, 2009.

On April 29, 2009, Al Wahl, Administrative Law Judge, suspended the procedural schedule established for these proceedings and continued the hearing indefinitely pending the finalization of the parties' agreement for resolution of all disputed issues.

On July 1, 2009, Otter Tail Corporation d/b/a Otter Tail Power Company, the North Dakota Public Service Commission Advocacy Staff, and the North Dakota Large Industrial Group filed a Settlement Agreement representing a global settlement of all contested issues.

The Issues to be considered in these matters include:

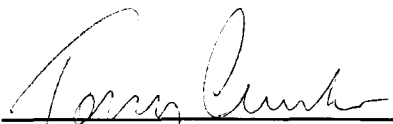
1. What is the value of Otter Tail's property, used and useful, for the service and convenience of the public in North Dakota?
2. What is Otter Tail's rate of return on its property, used and useful, for the service and convenience of the public in North Dakota?
3. What is a just and reasonable rate of return on Otter Tail's property, used and useful, for the service and convenience of the public in North Dakota?
4. What rates and charges are necessary to provide a just and reasonable rate of return on Otter Tail's property, used and useful, for the service and convenience of the public in North Dakota?

5. Are Otter Tail's proposed rate schedules designed in such a manner that they result in a basis of charge to its customers that is just and reasonable without discrimination?
6. Is Otter Tail's investment in the Ashtabula Wind Energy Center prudent?
7. Should the commission approve the 2009 Renewable Resource Cost Recovery Rider as filed?
8. Should Otter Tail be permitted to recover any generation costs through a Rider?
9. Other relevant information or proposals concerning the proceedings.
10. Does the settlement provide a reasonable resolution of the issues?

**A consolidated hearing for Case No. PU-08-742 and Case No. PU-08-862 will begin September 28, 2009 at 1:30 p.m. CDT in the Commission hearing room, State Capitol, 12th Floor, Bismarck, North Dakota 58505.**

For more information contact the Public Service Commission, State Capitol, Bismarck, North Dakota 58505, 701-328-2400 or Relay North Dakota 1-800-366-6888 TTY. If you require any auxiliary aids or services, such as readers, signers, or Braille materials, please notify, Darrell Nitschke, Executive Secretary, at least 24 hours in advance.

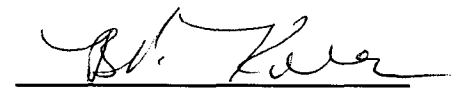
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