



Otter Tail Corporation d/b/a
Otter Tail Power Company
Before the
North Dakota Public Service Commission

Application for Authority to
Increase Electric Rates in North Dakota
Case No. PU - 08 - _____
November 3, 2008

Volume 1
Notice of Change in Rates
Interim Rate Petition

Otter Tail Power Company

North Dakota General Rate Case Documents

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Volume 1

Letter of Transmittal

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



November 3, 2008

Darrell Nitschke
Executive Secretary and Director of Administration
North Dakota Public Service Commission
State Capitol
600 East Boulevard, Dept. 408
Bismarck, ND 58505-0480

Re: Application of Otter Tail Corporation d/b/a Otter Tail Power Company for Authority to
Increase Rates for Electric Service in North Dakota
Notice of Change in Rates for Electric Service

Dear Mr. Nitschke:

Pursuant to North Dakota Century Code, Section 49-05-05, Otter Tail Corporation doing business as Otter Tail Power Company (the "Company" or "Otter Tail Power Company") operating in North Dakota, submits an original and twelve (12) copies of a Notice of Change in Rates for Electric Service (the "Notice"). The Notice was also provided by email to ndpsc@nd.gov. The rate and tariff changes proposed in this Notice would result in an annual increase of base (*i.e.*, non-fuel) electric revenues of \$6,084,003, or 5.14 percent, effective for electric service on and after December 3, 2008, or upon final approval if the rates are suspended.

The test year for the proposed increase is 2007 with known and measurable changes and other appropriate ratemaking adjustments. We have excluded from the test year all revenues and expenses associated with the Company's Renewable Resource Cost Recovery Rider, because that Rider has a separate standalone revenue requirement and rate for the recovery of that revenue requirement. If the decision were made by the Commission to incorporate the Renewable Resource Cost Recovery Rider costs and revenues into base rates, that rate design change would give the appearance of a further base rate increase, but it would not change the amount of revenue deficiency sought by this Notice. Also included with this Notice is an Alternative Petition for Interim Rates, should the Commission elect to suspend the Company's proposed rates. Pursuant to N.D. Cent. Code, §49-05-06, subd. 2, interim rates would be effective January 2, 2009.

This Notice has been organized into the following sections and supporting testimony:

<u>Volume</u>	<u>Section</u>	
1	1	Letter of Transmittal Notice of Proposed Change of Rates and Charges Deficiency and Proposed Revenues Alternative Petition for Interim Rates Interim Tariffs
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4B		Lead Lag Study

Pursuant to N.D. Cent. Code, § 49-05-05, Otter Tail Power Company is enclosing its check for the filing fee of \$50.

You may direct any questions regarding this Notice or the Alternative Petition for Interim Rates to Mr. Ron Spangler at (218) 739-8838 or Mr. Bruce Gerhardson at (218) 998-7108.

Sincerely,



Thomas R. Brause
Vice President Administration
Otter Tail Corporation
Doing business as Otter Tail Power Company
215 South Cascade Street
Fergus Falls, MN 56537
(218) 739-8525
tbrause@otpc.com

Enclosures

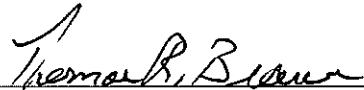
**STATE OF NORTH DAKOTA
BEFORE THE
PUBLIC SERVICE COMMISSION**

In the Matter of the Application by Otter Tail)
Corporation d/b/a Otter Tail Power Company for)
Authority to Increase Rates for Electric Service in)
North Dakota)
)

Case No. PU-08-____

**AFFIDAVIT OF
Thomas R. Brause**

I, the undersigned, being first duly sworn, on oath depose and say that I am Vice President Administration for Otter Tail Corporation, doing business as Otter Tail Power Company ("Otter Tail Power Company" or the "Company"), the applicant herein; that I have read the foregoing Notice of Change in Rates for Electric Service and the Alternative Petition for Interim Rates, and that I believe all statements therein to be true and correct; and that said filings are submitted and signed on behalf of Otter Tail Power Company with the consent and authority of the Company.



Thomas R. Brause

Subscribed and sworn to before me,
this 31 day of October, 2008.



Notary Public

Volume 1

Notice of Proposed Change of Rates
And Charges

STATE OF NORTH DAKOTA
BEFORE THE
PUBLIC SERVICE COMMISSION

Susan E. Wefald
Kevin Cramer
Tony Clark

President
Commissioner
Commissioner

In the Matter of the Application by Otter Tail)
Corporation d/b/a Otter Tail Power Company for)
Authority to Increase Rates for Electric Service in)
North Dakota)
)

Case No. PU-08-____

**NOTICE OF CHANGE IN RATES FOR
ELECTRIC SERVICE**

I. INTRODUCTION

Pursuant to N.D. Cent. Code § 49-05-05 and N.D. Admin. Code § 69-09-02-01, Otter Tail Corporation d/b/a Otter Tail Power Company (“OTP” or the “Company”) hereby provides notice (the “Notice”) to the North Dakota Public Service Commission (the “Commission”) of the Company’s intent to change electric service rates and tariffs contained in the Company’s North Dakota Electric Rate Book --- NDPSC No. 1 effective December 3, 2008, thirty (30) days after the date of this filing. However, if the Commission suspends the proposed revised rates and tariffs within 30 days of this Notice, the Company respectfully requests that the Commission issue an order granting interim rate relief effective January 2, 2009, without a hearing, pursuant to N.D. Cent. Code § 49-05-06, subd. 2. A separate Alternative Petition for Interim Rates is submitted with this Notice.

The rate and tariff changes proposed in this Notice would result in an annual increase of electric revenues of \$6,084,003, or 5.14 percent, effective for electric service on and after December 3, 2008, or upon final approval if the rates are suspended. The Company has excluded from the test year all revenues and expenses associated with the Company’s Renewable Resource Cost Recovery Rider, because that Rider has a separate standalone revenue requirement and rate for the recovery of that revenue requirement. If the decision were made by the Commission to incorporate the Renewable Resource Cost Recovery Rider costs and revenues into base rates, that rate design change would give the appearance of a further base rate increase,

but would not change the amount of revenue deficiency sought by this notice. The test year for the proposed increase is 2007, with known and measurable changes and other appropriate ratemaking adjustments.

The rates and tariffs being revised are provided in Volume 3, and consist of the amended tariffs in “legislative” (red-line) and regular formats. These tariff changes are supported by the Direct Testimony of Mr. David G. Prazak provided with this Notice. The proposed rates would affect the Company’s service to all of its approximately 56,900 retail electric customers in the State of North Dakota.

A. Need for Rate Increase

The revenue deficiency is largely a result of increases in rate base and investment-related costs driven by the Company’s additional investments in generation and transmission infrastructure since the last general electric rate application, which employed a 1983 test year (Case No. 10,334). These cost increases cannot be offset on a sustained basis by customer or sales growth or other cost reduction efforts. Mr. Peter J. Beithon and Mr. Kyle Sem discuss the primary changes in cost in their Direct Testimonies.

This rate increase is needed so the Company has the opportunity to earn a reasonable return on equity (“ROE”) for its North Dakota electric operations. The Commission’s most recent ROE authorization for the Company electric operations was 12 percent, subject to adjustments up or down by as much as 175 basis points depending on various operational and service performance measures (Case No. PU-401-00-36). This 12 percent ROE with adjustments was authorized by the Commission as part of the Company’s performance based ratemaking plan, which ended in 2005. The ROE approved by the Commission in the Company’s most recent traditional electric rate filing was 14.5 percent (Case No. 10,334). The Direct Testimony of Mr. Robert Hevert filed with this Notice supports an ROE of 11.25 percent.

B. Proposed Cost Allocation and Rate Design

Schedule 2, located behind the tab Deficiencies and Proposed Revenues, provides an estimate of the number of customers whose cost of service will be affected and the proposed annual increase or decrease in revenues by class. Mr. David G. Prazak discusses the objectives that guided the Company’s proposed rate design in his Direct Testimony.

The proposed rate changes, effective December 3, 2008, if not suspended, do not affect recovery of the cost of fuel, which is separately reflected in retail rates through the Fuel Cost adjustment provision of the Company's North Dakota Electric Rate Book --- NDPSC No. 1.

C. The Proposed Rate Change Would Serve the Public Interest

Because the rate increase would allow the Company to recover its reasonable cost of service and establish a fair allocation of the increase among the various customer classes, the proposed rate increase does not unreasonably discriminate between the Company's customers or customer classes, and does not violate any Commission laws or rules. The proposed rates would thus serve the public interest and should be effective December 3, 2008, as proposed. In the alternative, the Commission should allow the Company to implement interim rates effective January 2, 2009, until final base rates are placed into effect.

II. REQUIRED FILING INFORMATION

A. Name and Address of Applicant

Pursuant to the Commission's "How to File" guidelines, the name and address of the public utility submitting this Notice is:

Otter Tail Corporation d/b/a Otter Tail Power Company
215 South Cascade Street
Fergus Falls, MN 56537

Otter Tail Corporation is a Minnesota corporation. Otter Tail Power Company maintains local offices in: Jamestown, Oakes, Wahpeton, Devils Lake, Garrison and Rugby.

In addition, the Company requests the following counsel be placed on the Commission's official service list for this proceeding:

Bruce Gerhardson
Assistant General Counsel
Otter Tail Corporation
215 South Cascade Street
Fergus Falls, MN 56537

B. Proposed Rates and Tariffs

Pursuant to N.D. Cent. Code § 49-05-05 and N.D. Admin. Code § 69-09-02-01, the Company is submitting as part of this Notice the following schedules, located behind the tab Deficiencies and Proposed Revenues:

- Schedule 1 shows the determination of the projected revenue deficiency for the 2007 rate case test year;
- Schedule 2 shows the number of customers by class, the proposed revenue apportionment for each customer class, and the miscellaneous revenues for the test year;
- Schedule 3 provides a summary comparison of the proposed retail rates to the Company's present rates;
- Schedule 4 provides an estimation of the anticipated impact of the increase on monthly customer bills at various usage levels;
- Schedule 5 is a summary of the Jurisdictional Cost of Service Study, which shows the test year rate base, operating income, revenue requirement and deficiency, and other related information;
- Schedule 6 is a summary list of the tariff sheets proposed to be changed;
- Volume 3 shows the proposed tariffs in both "legislative" (red-line) and regular formats; and
- An Alternative Petition for Interim Rates, with supporting schedules and interim tariffs, with rates becoming effective January 2, 2009, and subject to refund pending the final order in this case.

C. Filing Fee and Verification

Pursuant to N.D. Cent. Code § 49-05-05, Otter Tail Power Company has included with this filing a check for the filing fee of \$50.00. Also enclosed is the sworn affidavit of Mr. Thomas R. Brause verifying the correctness of the Notice, proposed rate and tariff changes, and supporting schedules.

D. Articles of Incorporation

Pursuant to N.D. Admin. Code § 69-09-02-02-04, a certified copy of Otter Tail's articles of incorporation is on file with the Commission, as is an original certificate of good standing.

III. NOTICE TO AFFECTED CUSTOMERS

N.D. Admin. Code § 69-09-02-02.1, subd. 2(a)(2), requires a notice to electric customers not later than thirty days after filing an increase in rates. In compliance with this requirement, the Company will include a customer message on its bills to be issued to electric customers in North Dakota on and after December 3, 2008, if the rate increase is not suspended. The customer message would be distributed for one billing cycle and would describe the reasons for the rate changes and the rate impact information required by N.D. Admin. Code § 69-09-02-02.1, subd. 2(a)(2). Information on how to contact the Company or the Commission with questions or comments about the changes would also be provided.

If the Commission suspends the proposed rates within 30 days and issues an order allowing the Company to place the interim electric rate increase in effect on January 2, 2009, subject to refund, the Company would include a customer information notice in bills to be issued to electric customers in North Dakota on and after January 2, 2009. Again, the customer information notice would be distributed for one billing cycle, would describe the reasons for the interim rate change, the rate impact of the change and would provide information on how to contact the Company or the Commission with questions or comments about the changes.

IV. PROPOSED PROCEDURES

Pursuant to N.D. Cent. Code § 49-05-05, the Company respectfully requests that the Commission allow the proposed rate and tariff changes shown in Volume 3 to be placed into effect December 3, 2008, without suspension or hearing. This Notice of Change in Rates for Electric Service and schedules thereto fully satisfy the requirements for a notice of rate changes effective December 3, 2008, subject to the Commission's authority to thereafter prospectively change such rates and tariffs through a final order under N.D. Cent. Code § 49-05-06 if the Commission formally investigates the change.


The Company has included Direct Testimony in support of this Notice. The Company is also receptive to working with Commission Staff to promptly resolve the proceeding through an information and settlement process.

V. CONCLUSION

For the foregoing reasons, Otter Tail Power Company provides this Notice to the Commission of new electric rates and tariffs to be effective December 3, 2008, pursuant to N.D. Cent. Code § 49-05-05 and N.D. Admin. Code § 69-09-02-01. If the Commission suspends the proposed revised rates and tariffs within 30 days of this Notice, the Company requests that the Commission issue an order allowing the Company's proposed interim rates to be effective January 2, 2009, subject to refund, pursuant to N.D. Cent. Code § 49-05-06, subd. 2 (see Alternative Petition for Interim Rates submitted with this filing).

Please direct any questions regarding the Notice of Change in Rates for Electric Service and/or the Alternative Petition for Interim Rates to Mr. Ron Spangler Jr. at (218) 739-8838 or Mr. Bruce Gerhardson at (218) 998-7108.

Respectfully submitted,

By: 
Thomas R. Brause
Vice President Administration
Otter Tail Corporation
Doing business as Otter Tail Power Company
215 South Cascade Street
Fergus Falls, MN 56537
(218) 739-8525
tbrause@otpc.com

Date: November 3, 2008

Volume 1

Deficiency and Proposed Revenues

Otter Tail Corporation d/b/a OTTER TAIL POWER COMPANY
Electric Utility - State of North Dakota
JURISDICTIONAL FINANCIAL SUMMARY SCHEDULE

Case No. PU-08____
 Exhibit ____ (Notice)
 Schedule 1
 Page 1 of 1

Line No.	Description	(A)	(B)
		2007 Actual Year	2007 Test Year
1	Average Rate Base	\$165,070,791	\$187,173,203
2	Operating Income (Before AFUDC)	\$11,883,263	\$12,942,144
3	Allowance for Funds Used During Construction (AFUDC)	\$0	\$0
4	Total Available for Return (Line 2 + Line 3 + Rounding)	\$11,883,263	\$12,942,144
5	Overall Rate of Return (Line 4 / Line 1)	7.20%	6.91%
6	Required Rate of Return	8.89%	8.89%
7	Operating Income Requirement (Line 1 x Line 6)	\$14,674,793	\$16,639,698
8	Income Deficiency (Line 7 - Line 4)	\$2,791,530	\$3,697,554
9	Gross Revenue Conversion Factor	1.645413	1.645413
10	Revenue Deficiency (Line 8 x Line 9)	\$4,593,220	\$6,084,003
11	Retail Related Revenues Under Present Rates		\$118,309,177
12	Percent Increase Needed in Overall Revenue (Line 10 / Line 11)		5.14%

Otter Tail Corporation d/b/a OTTER TAIL POWER COMPANY
Electric Utility - State of North Dakota
PROPOSED RATE SCHEDULE
SUMMARY COMPARISON OF OPERATING REVENUE
UNDER PRESENT AND PROPOSED RATES FOR THE TEST YEAR

Case No. PU-08-____
Exhibit ____ (Notice)
Schedule 2

Service Schedule

	Average No. of Meters	kWh Sales Annual	Annual Revenue		Increase	
			Present	Proposed	Amount	Percent
Residential						
Residential Service	41,297	363,213,626	\$31,114,448	\$33,050,961	\$1,936,513	6.22%
Residential Demand Control	3,753	94,191,264	\$5,540,781	\$6,353,410	\$812,629	14.67%
Farm Service						
	1,017	22,040,877	\$1,514,276	\$1,627,847	\$113,571	7.50%
Small Commercial						
General Service < 20 kW	8,331	78,591,827	\$7,924,082	\$7,770,404	-\$153,678	-1.94%
Commercial Demand Control < 20 kW	9	267,633	\$19,944	\$23,423	\$3,479	17.44%
Electric Climate Control <20 kW	169	3,423,858	\$276,277	\$305,585	\$29,308	10.61%
General Service >= 20 kW	2,579	290,406,932	\$22,645,691	\$22,630,264	-\$15,428	-0.07%
Commercial Demand Control >= 20 kW	17	4,047,528	\$274,606	\$306,638	\$32,033	11.66%
Electric Climate Control >= 20 kW	358	42,175,165	\$2,871,550	\$3,297,765	\$426,215	14.84%
Commercial Time of Use	-	-	\$0	\$0	\$0	
Large Commercial						
Large General Service	132	555,574,413	\$32,622,026	\$32,999,448	\$377,423	1.16%
Large General Service Time of Day	-	-	\$0	\$0		
Real Time Pricing	1	58,538,439	\$2,962,156	\$2,991,777	\$29,622	1.00%
Large General Service Rider	-	-	\$0	\$0		
Large General Service Off-Peak Rider	2	9,906,458	\$647,626	\$602,926	-\$44,701	-6.90%
Irrigation Services						
Irrigation Option #1	7	286,564	\$23,576	\$25,266	\$1,690	7.17%
Irrigation Option #2	10	370,817	\$22,387	\$25,293	\$2,906	12.98%
Outdoor Lighting						
Outdoor Lighting - Energy Only	32	1,750,137	\$111,656	\$139,570	\$27,914	25.00%
Outdoor Lighting Non-Metered		21,242,916	\$1,983,990	\$2,479,987	\$495,997	25.00%
Other Public Authorities						
Municipal Pumping Service	557	16,990,520	\$963,913	\$1,098,862	\$134,949	14.00%
Civil Defense - Fire Sirens	63		\$3,655	\$4,167	\$512	14.00%
Water Heating, Controlled						
	7,560	19,762,890	\$1,185,332	\$1,303,866	\$118,534	10.00%
Interruptible Loads						
Interruptible Load CT Metering	419	66,186,502	\$1,570,442	\$2,248,372	\$677,930	43.17%
Interruptible Load Self Contained Metering	5,491	97,137,681	\$3,152,409	\$4,141,415	\$989,006	31.37%
Bulk Interruptible Load	-	-	\$0	\$0	\$0	
Standby Service	1	121,000	\$21,570	\$15,155	-\$6,416	-29.74%
Heat Storage						
Deferred Load Controlled Service	615	14,986,587	\$731,923	\$802,379	\$70,456	9.63%
Fix Time of Delivery Service	1,605	4,571,746	\$124,877	\$148,417	\$23,540	18.85%
Small Power Producer Rider						
	1	(2,960)	-\$17	-\$17	\$0	0.00%
Total	74,027	1,765,782,420	118,309,177	124,393,180	\$6,084,003	5.14%

2007 Revenue	Proposed Rev	
\$31,114,448	\$33,050,961	6.22%

North Dakota Residential Summary - 101

	Customer Charge per month	Monthly Minimum Bill per month	Facilities Charge per month	Energy Charge per kWh		
				All Year	Summer	Winter
Current Rate						
Zone 1	\$4.74	\$4.74		First 1,000 kWh: \$0.08240 *		
Zone 9 and Cottages	\$5.65	\$5.65		Next 1,000 kWh: \$0.06737		
				Excess 1,000 kWh: \$0.05938		
				Water Heating Credit	-\$2.00	

	Customer Charge per month	Monthly Minimum Bill per month	Facilities Charge per month	Energy Charge per kWh		
				All Year	Summer	Winter
Proposed Rate	\$3.00	\$3.00	\$5.00			
Customer Charge, Seasonal Energy, No Declining Block				All kWh	\$0.08520	\$0.07772
Flat Facilities Charge						

*Current Rates Include FCA

Current Rev.	Proposed Rev.	Increase
\$5,540,781	\$6,353,410	14.67%

ND Residential Controlled Demand - 241

	Customer Charge per month	Minimum Bill per month	Facilities Charge per KW month	Charge per kWh		Demand Charge per kW per mo.	
				Summer	Winter	Summer	Winter
Current Rate							
No Seasonality - 12-month Demand Ratchet	\$9.38	Customer Charge	\$0.00	\$0.04172	\$0.04172 *	\$3.69	\$7.32
Rate 4							
Seasonal with Flat Facilities Charge, with 12-month Winter Ratchet	\$9.38	Customer + Facilities Charge		All kWh: \$0.04887	\$0.04934	\$6.88	\$2.78
		Flat Facilities	\$9.00				

*Current Rates Include FCA

Otter Tail Corporation d/b/a OTTER TAIL POWER COMPANY
 Electric Utility - State of North Dakota
 COMPARISON OF PRESENT AND PROPOSED RATES

Current Rev	Proposed Rev	Increase
\$1,514,276	\$1,627,847	7.50%

ND Farm -361

Customer Charge per month	Monthly Minimum Bill per month	Facilities Charge per kVA of Transformer	Energy per kWh		
			Summer	Winter	All Year
\$7.51	\$7.51 + \$0.71797 per kVA above 25 kVA	na	1st 150: 0.08702 Next 1450: 0.06817 Excess: 0.05730		

Proposed Rate	3-Phase Surcharge per Mo.		
	Cust + Fac	Overhead	All Energy
No Declining Block	\$8.00		\$0.07327
Seasonal Energy		<25 kVA	\$0.06684
Customer Charge		25 kVA or more	
Facilities for 3ph		Underground	
		<25 kVA	\$4.81
		25 kVA or more	\$5.61
			\$13.42
			\$21.56

*Current Rates Include FCA

Current Rev	Proposed Rev	Increase
\$8,220,303	\$8,099,412	-1.47%
Includes ECC and CDC revenue in current and Proposed		

ND General Service Less than 20 kW (404, 405)

Customer Charge	Monthly Minimum Bill per month	Facilities Charge per annual max. kW per month	Energy Charge per kWh	Summer	Winter	All Year
NA	NA	NA	First 1,000 kWh			\$0.10389
Zone 1: \$6.65	\$6.65 + \$0.57438 per kVA of first 20 kVA of connected load		Next 1,000			\$0.09290
Zone 2: \$7.95	kVA of transformer capacity greater than 10.		Excess:			\$0.07825
			All kWh in excess of 200 per kW of billing demand:			\$0.06164

SECONDARY

Current Rate GS	Proposed	Flat Facilities	No Declining Block
Zone 1: \$6.65	\$10.00	Customer Charge+ Fac	\$3.00
Zone 2: \$7.95	\$0.08760	Customer Charge+ Fac	\$0.07991
NA			

PRIMARY

Current	Proposed	Flat Facilities	No Declining Block
5% discount on all charges	\$10.00	Customer Charge+ Fac	\$2.00
	\$0.08721	Customer Charge+ Fac	\$0.07953

*Current Rates Include FCA

Current Rev	Proposed Rev	Increase
\$25,791,847	\$26,234,667	1.72%
Revenues includes ECC and CDC		

ND General Service Greater than or Equal to 20 kW. (401, 403)

Customer	Charge	Monthly Minimum Bill	Facilities Charge	Energy Charge	per kWh	Summer	Winter	All Year
per month	per month	per annual max. kW per month	per kWh	per kWh	Summer	Winter	All Year	All Year
Zone 1:	na	\$6.65	na	First 1,000 kWh	\$0.10389			
Zone 2:	\$7.95	\$6.65 + \$0.57438 per kVA of first 20 kVA of connected load kVA of transformer capacity greater than 10.		Next 1,000	\$0.09290			
				Excess:	\$0.07825			
				All kWh in excess of 200 per kW of billing demand:	\$0.06164			

SECONDARY

Proposed	\$12.00	Customer charge+ Fac	\$0.52
Flat Facilities			
No Declining Block			

PRIMARY

Current	5% discount on all charges		
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Proposed	\$12.00	Customer charge+ Fac	\$0.38
Flat Facilities			
No Declining Block			

*Current Rates Include FCA

Rev includes LGS + LGS Off Peak Rider
 Current Rev \$ 33,269,635
 Proposed Rev \$ 33,602,332
 1.00% Increase

ND Large General Service- Sec, Prim, Trans. (602, 603, 632)

Customer Charge per month	Minimum Bill per month	Facilities Charge per annual max. kW (minimum 80 kw) per month	Energy Charge per kWh		Demand Charge per kW
			Summer	Winter	
na		All over 360 kWh per kW	\$0.04245		\$8.33
		First 700,000 kWh	\$0.05094		\$6.80
		Excess kWh	\$0.04289		
All Year					
Demand Charge					\$7.13
1st 100 kW of billing demand:					\$2.88
Excess kW of billing demand:					\$0.05112

Note: Billing demand is ratcheted

Customer Charge per month	Minimum Bill per month	Facilities Charge per annual max. kW (minimum 80 kw) per month	Energy Charge per kWh		Demand Charge per kW
			Summer	Winter	
\$40.00	\$240.00 + Facilities Charges	All over 360 kWh per kW	\$0.04245		\$8.04
		First 700,000 kWh	\$0.05094		\$6.51
		Excess kWh	\$0.04289		
All Year					
Demand Charge					\$7.08
1st 100 kW of billing demand:					\$2.86
Excess kW of billing demand:					\$0.05089

SECONDARY

Customer Charge per month	Minimum Bill per month	Facilities Charge per annual max. kW (minimum 80 kw) per month	Energy Charge per kWh		Demand Charge per kW
			Summer	Winter	
na		All over 360 kWh per kW	\$0.04245		\$8.04
		First 700,000 kWh	\$0.05094		\$6.51
		Excess kWh	\$0.04289		
All Year					
Demand Charge					\$7.13
1st 100 kW of billing demand:					\$2.88
Excess kW of billing demand:					\$0.05112

Note: Billing demand is ratcheted

Customer Charge per month	Minimum Bill per month	Facilities Charge per annual max. kW (minimum 80 kw) per month	Energy Charge per kWh		Demand Charge per kW
			Summer	Winter	
\$40.00	\$240.00 + Facilities Charges	All over 360 kWh per kW	\$0.04245		\$8.04
		First 700,000 kWh	\$0.05094		\$6.51
		Excess kWh	\$0.04289		
All Year					
Demand Charge					\$7.08
1st 100 kW of billing demand:					\$2.86
Excess kW of billing demand:					\$0.05089

PRIMARY

Customer Charge per month	Minimum Bill per month	Facilities Charge per annual max. kW (minimum 80 kw) per month	Energy Charge per kWh		Demand Charge per kW
			Summer	Winter	
na		All over 360 kWh per kW	\$0.04245		\$7.23
		First 700,000 kWh	\$0.05094		\$5.65
		Excess kWh	\$0.04289		
All Year					
Demand Charge					\$5.75
1st 100 kW of billing demand:					\$2.43
Excess kW of billing demand:					\$0.04945

*Current Rates Include FCA

TRANSMISSION

Customer Charge per month	Minimum Bill per month	Facilities Charge per annual max. kW (minimum 80 kw) per month	Energy Charge per kWh		Demand Charge per kW
			Summer	Winter	
\$40.00	\$240.00 + Facilities Charges	All over 360 kWh per kW	\$0.04245		\$8.04
		First 700,000 kWh	\$0.05094		\$6.51
		Excess kWh	\$0.04289		
All Year					
Demand Charge					\$7.08
1st 100 kW of billing demand:					\$2.86
Excess kW of billing demand:					\$0.05089

Otter Tail Corporation d/b/a OTTER TAIL POWER COMPANY
 Electric Utility - State of North Dakota
 COMPARISON OF PRESENT AND PROPOSED RATES

Current Revenue	Proposed Revenue
\$2,962,156	\$2,991,777
Increase 1.00%	

ND Real Time Pricing (660, 662, 664)

		Monthly		Energy Charge	
Customer	Minimum	Facilities Charge	per month	per kWh	per kWh
Charge	Bill	per month	per month	per kWh	per kWh

Current Rate	\$180.00	Hourly Market Prices
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Proposed Rate	\$199.00	Hourly Market Prices
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Current #2
 \$22,816
 Proposed #2
 \$25,293
 10.86% Increase

Current #1
 \$23,147
 Proposed #1
 \$25,266
 9.16% Increase

ND Irrigation Option #1, and Irrigation Option #2. (703 - 706)

Cust. Charge per month	Monthly Min. Bill per month	Facilities Charge per annual max. kW (min. 80)	Energy Charge per kWh		Demand Charge per HP	
			Summer	Winter	Summer	Winter

SECONDARY							
Current Rate	\$0.00	Customer Specific	All kWh	\$0.05579	\$0.29	\$0.29	\$0.29
Option 1 - Seasonal energy with Capacity, Customer-specific facilities charge, Customer Charge	\$1.00	Customer + Facilities	\$0.06896	\$0.05145			

Current Rate	\$0.00	Customer Specific	Declared Peak		Declared Intermediate		Declared Off-Peak		Declared Intermediate		Declared Off-Peak		Declared Intermediate		Declared Off-Peak														
			Peak	Intermediate	Peak	Intermediate	Peak	Intermediate	Peak	Intermediate	Peak	Intermediate	Peak	Intermediate	Peak	Intermediate													
Customer Specific	\$0.09423	\$	0.07176	\$	0.04306	\$	0.09423	\$	0.07176	\$	0.04306	\$	0.09423	\$	0.07176	\$	0.04306	na	na	na	na	na	na	na	na	na	na	na	na
per kWh																													

Current Rate	\$5.00	Customer + Facilities	Declared Peak		Declared Intermediate		Declared Off-Peak		Declared Intermediate		Declared Off-Peak		Declared Intermediate		Declared Off-Peak														
			Peak	Intermediate	Peak	Intermediate	Peak	Intermediate	Peak	Intermediate	Peak	Intermediate	Peak	Intermediate	Peak	Intermediate													
Option 2 - TOU energy including Capacity, Customer Charge, Customer-specific facilities charge	\$0.14443	\$0.05438	\$0.02641	\$0.08755	\$0.05108	\$0.02704	na	na	na	na	na	na	na	na	na	na	na	na	na	na	na	na	na	na	na	na	na	na	na

*Current Rates Include FCA

Otter Tail Corporation d/b/a OTTER TAIL POWER COMPANY
Electric Utility - State of North Dakota
COMPARISON OF PRESENT AND PROPOSED RATES

ND Energy Only Lighting (744, 748, 749)

	Customer Charge per month	Monthly Minimum Bill per month	Facilities Charge per month	Energy Charge per kWh
Metered				
Current Rate	\$1.40	\$0.00	\$0.00	0.05898
Proposed Rate	\$2.00	\$2.00	\$0.00	0.07270
Non-Metered				
Current Rate	Connected kW x	\$20.15	Current rate * 4100 hrs/year / 12 months	
Proposed Rate	Connected kW x	\$24.84	Current rate * 4100 hrs/year / 12 months	

Outdoor Lighting Dusk to Dawn (741 & 743)

TYPE	STREET AND AREA LIGHTING	
	Present Rate	Proposed Rate
MV-6	\$5.84	\$7.30
MV-6PT	\$8.33	\$10.41
MV-11	\$10.58	\$13.23
MV-21	\$13.93	\$17.41
MV-35	\$20.44	\$25.55
MV-55	\$26.13	\$32.66
MA-8	\$7.05	\$8.81
MA-14	\$13.42	\$16.78
MA-20	\$15.32	\$19.15
MA-36	\$15.00	\$18.75
MA-110	\$32.01	\$40.01
HPS-9	\$6.27	\$7.84
HPS-9PT	\$8.10	\$10.13
HPS-14	\$9.76	\$12.20
HPS-14PT	\$10.44	\$13.05
HPS-19	\$11.34	\$14.18
HPS-23	\$12.83	\$16.04
HPS-44	\$15.84	\$19.80
UMV6	\$7.47	\$9.34
UHPS9	\$7.90	\$9.88
UHPS19	\$12.97	\$16.21
UHPS23	\$14.46	\$18.08

TYPE	QTY	FLOOD LIGHTING	
		Present Rate	Proposed Rate
400MVF	2,345	\$14.46	\$18.08
400MAF	6,618	\$15.41	\$19.26
400HPSF	10,275	\$15.75	\$19.69
1000MVF	43	\$25.37	\$31.71
1000MAF	3,461	\$26.76	\$33.45

ND Municipal Pumping (872)

**Comparison of Current Rate, Recommended Rate and Marginal Cost
 Municipal Pumping**

Current Rev	Proposed Rev.	Increase
\$967,568	\$1,098,862	13.57%

Customer	Minimum Bill	Facilities Charge	Summer	Winter	All Year
\$ per month	\$ per month	\$ per month	\$ per kWh per month		
na	\$3.30	na	1st 2500:	\$0.07152	
	per metering pt.		Next 1500:	\$0.05632	
			Excess:	\$0.04768	

Current Rate

Proposed Rate

Seasonal Energy, Facilities Charge	Customer	Minimum Bill	Facilities Charge	Summer	Winter	All Year
	\$ per month	\$ per month	\$ per month	\$ per kWh per month		
Secondary	\$4.00	Cust + Fac	\$4.00	\$0.06523	\$0.05950	all Energy
Primary	\$4.00	Cust + Fac	\$2.68	\$0.06494	\$0.05922	all Energy

*Current Rates Include FCA

Current Rev.	Proposed Rev.	Increase
\$3,655.12	\$4,167.00	14.00%

North Dakota Civil Defense Fire Sirens (843)

Customer Charge	Monthly Minimum Bill	Facilities Charge	Charge
per month	per month	per month	per HP

SECONDARY

Current Rate	\$0.00	\$0.00	\$0.57
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Proposed Rate	\$1.00	Customer Charge	\$0.53193
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Water Heating Control (Off-Peak) -191

Current Rev.	Proposed Rev	Increase
\$1,185,332	\$1,303,866	10.0%

	Customer Charge per month	Monthly Minimum Bill per month	Facilities Charge per month	Energy Charge per kWh	All Year	Summer	Winter
Current							
Blocked Non-seasonal Plus Customer Charge All Energy	\$1.34	\$1.34	\$0.00		\$0.05322		
Rate 192 Water Heating Credit	-\$2.00						
Proposed							
Seasonal Energy Flat Facilities	\$1.00	Cust. + Facilities	\$1.00			\$0.05773	\$0.05638
Rate 192 Water Heating Credit	-\$4.00						

*Current Rates Include FCA

ND LDF CT Metering (170 & 165)

Current Rev.	Proposed Rev	Increase
\$1,570,422	\$2,248,372	43.17%

Controlled Service - Interrruptible - (assumes all customers have CT metering)

	Customer Charge per month	Monthly Minimum Bill per month	Facilities Charge	Energy Charge per kWh	Summer	Winter
SECONDARY						
Current Rate	\$4.74		Penalty kWh	\$0.02253	\$0.10088	\$0.10088
Proposed Rate	Seasonal Energy, Flat Facilities \$4.00	Customer + Facilities charge	All kWh	\$0.03424	\$0.03292	\$0.15769
		Penalty kWh rate 199		\$0.42614		
		per annual max. kW per month				
		\$0.08				

North Dakota Small Dual Fuel (185 & 190)

Controlled Service - Interruptible - SDF, Self-Contained: (assumes all customers do not have CT metering)

SECONDARY		Current Revenue		Proposed Rev		Increase	
Current Rate		\$3,152,409		\$4,141,415		31.37%	
Customer Charge per month	Monthly Minimum Bill per month	Facilities Charge per customer per month	Energy Charge per kWh				
\$3.78		First 5,000 Excess	Summer	Winter			
		First 1,500 Excess	\$0.02956	\$0.03097			
			\$0.02675	\$0.02815			
Proposed Rate	Customer + Facilities charge	Fixed Facilities	Seasonal Energy, Fixed Facilities				
	\$2.00	\$5.00	\$0.03993	\$0.03766			
		Penalty kWh	\$0.42265	\$0.16375			

Current Rev.	Proposed Rev.	Increase
\$731,923	\$802,379	9.63%

ND Controlled Service - Deferred Load (197 & 195)

	Customer Charge per month	Monthly Minimum Bill per month	Facilities Charge per month	Energy Charge per kWh	
				All Year	Summer Winter
Current Deferred Load Rate	\$1.34	\$1.34		Penalty	\$0.10088 \$0.10088
					\$0.04807 \$0.04807

Proposed Rate	Seasonal Energy and Customer Charge Facilities based on Flat Fixed Charge	Customer Charge+Facilities	\$4.00	Energy Charge per kWh	
				All Year	Summer Winter
			Penalty kWh		\$0.05153 \$0.05000
					\$0.38956 \$0.16512

Current Rev	Proposed Rev.
\$124,877	\$148,417
	Increase 18.85%

ND Fixed Time of Delivery - (301,302,303)

SECONDARY

Current Rate	Customer Charge per month	Monthly Minimum Bill per month	Facilities Charge per Customer per month	Energy Charge per kWh
Secondary < 100 kW (301)			\$3.78	\$0.02722
Secondary > 100 kW (302)			\$8.18	\$0.02346
Primary (303)			\$77.88	\$0.02180

Proposed Rate	Seasonal Energy with a Fixed Facility Charge	Cust+Fac	Summer	Winter
Secondary < 100 kW (301)	\$1.00	\$3.00	\$0.02781	\$0.02945
Secondary > 100 kW (302)	\$1.50	\$19.00	\$0.02781	\$0.02945
Primary (303)	\$3.00	Penalty kWh	\$0.12174	\$0.10322
		\$9.00	\$0.02770	\$0.02933
		Penalty kWh	\$0.12163	\$0.10311

Figure 1. Bill Impacts – Residential Service

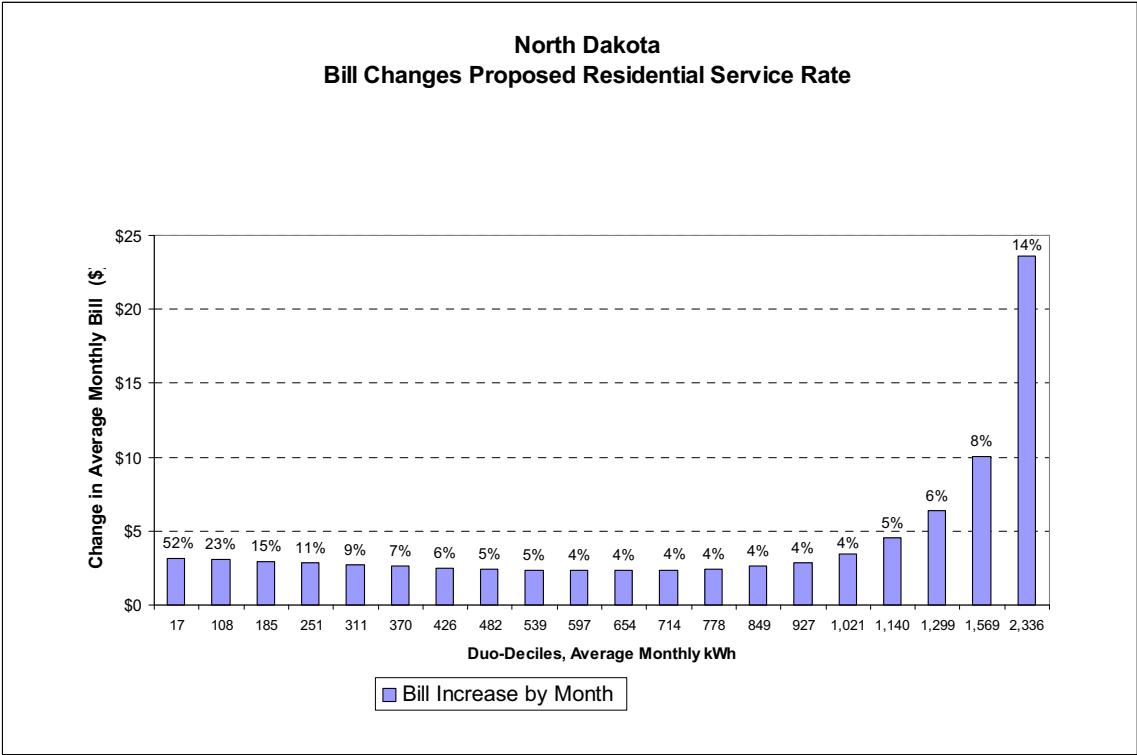


Figure 2. Bill Impacts - Residential Controlled Demand

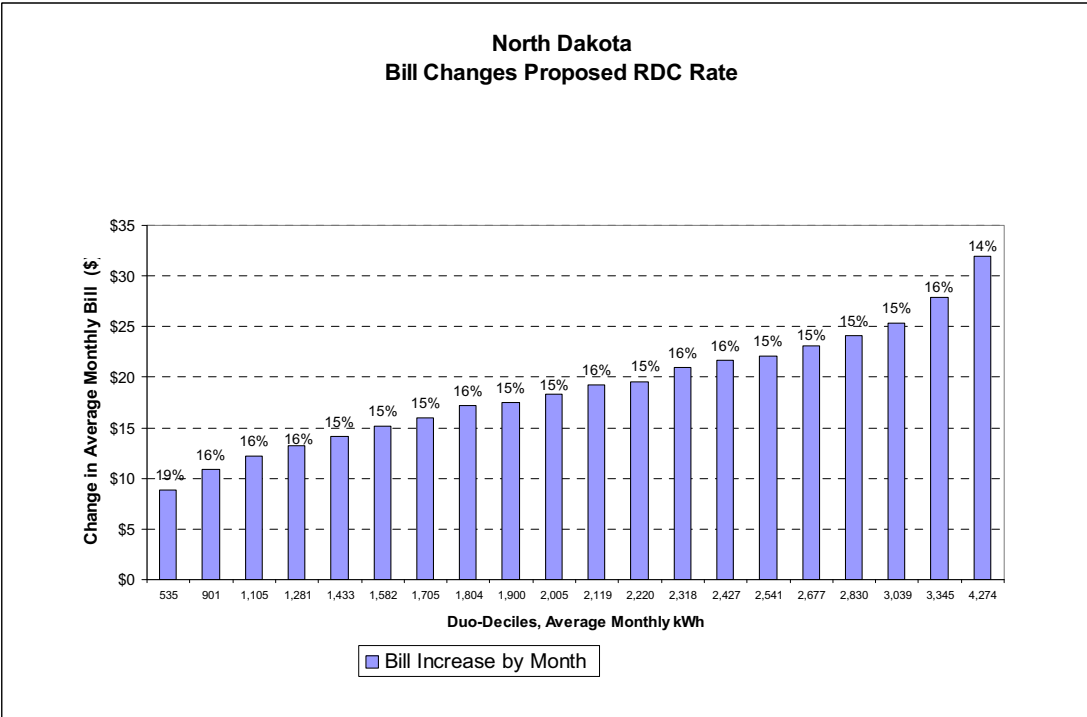


Figure 3. Bill Impacts – Farm Service

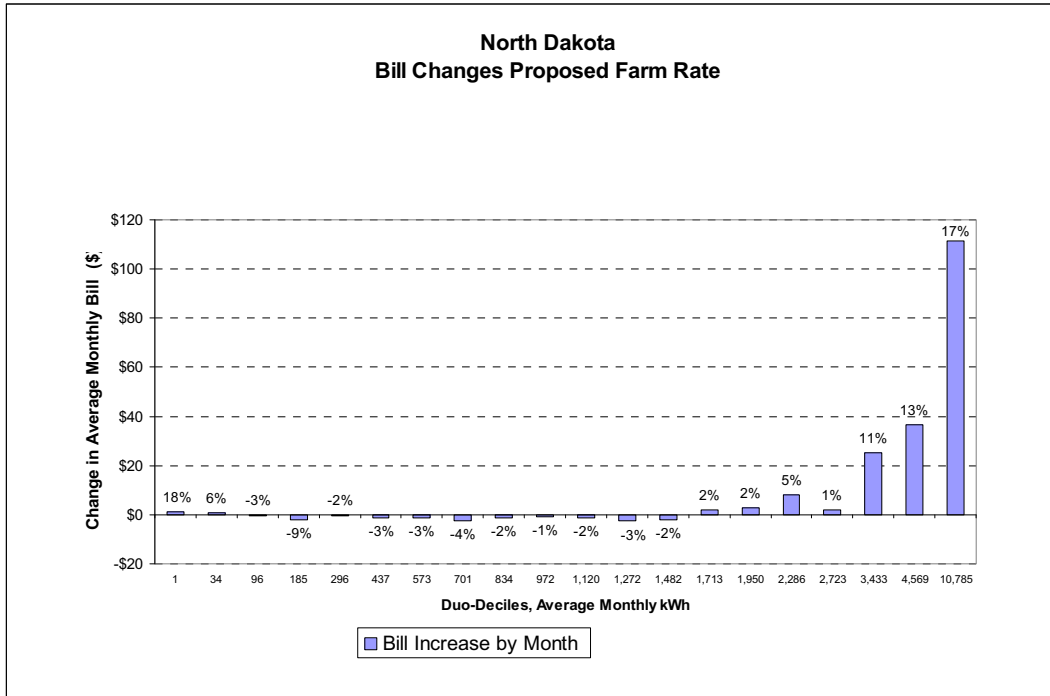


Figure 4. Bill Impacts – Small General Service Less Than 20 kW

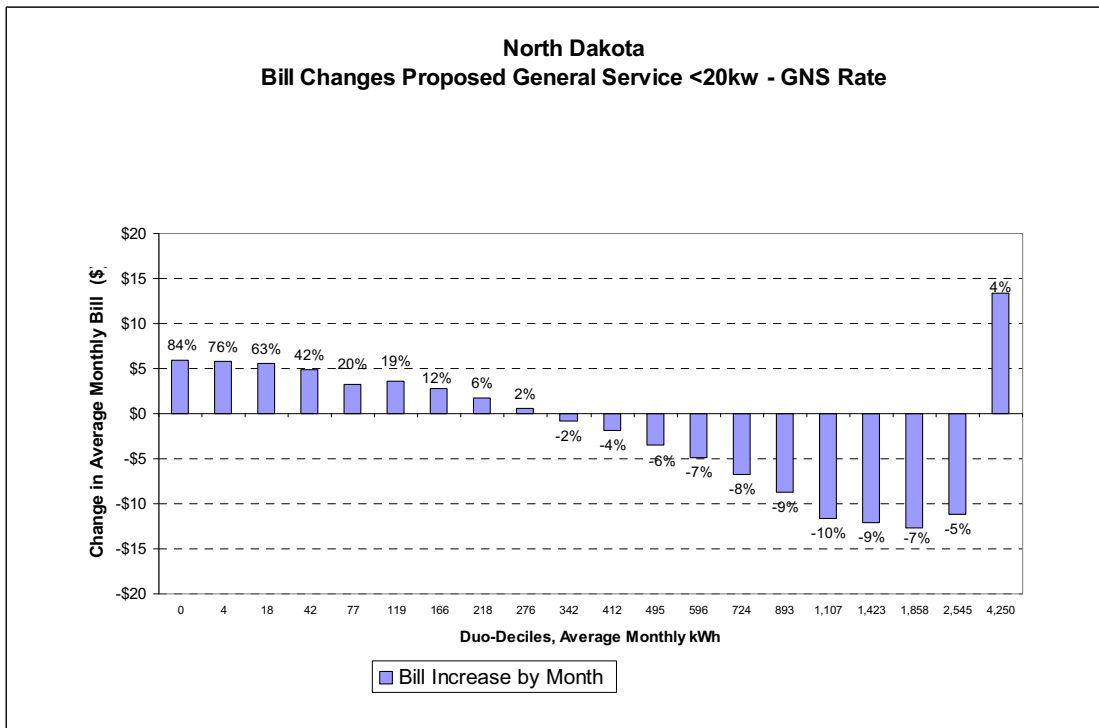


Figure 5. Bill Impacts – Commercial Demand Control Customers Billed on Small General Service Less Than 20 kW

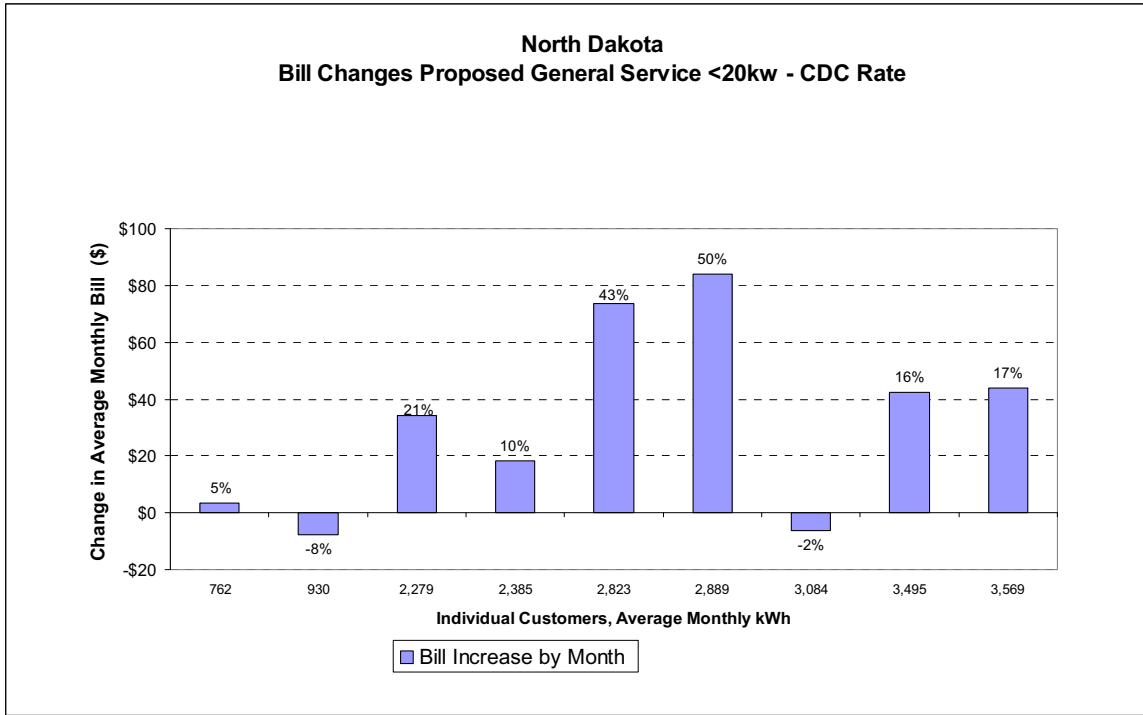


Figure 6. Bill Impacts – Electric Climate Control Customers Billed on Small General Service Less Than 20 kW

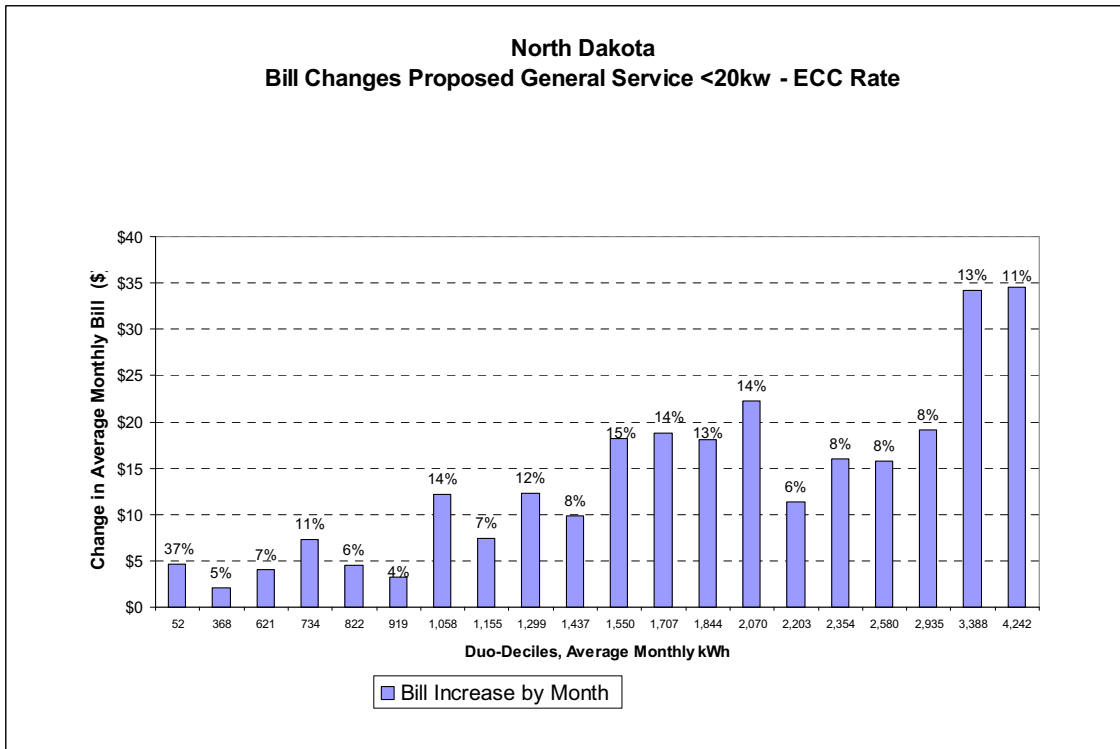


Figure 7. Bill Impacts – Small General Service 20 kW and greater

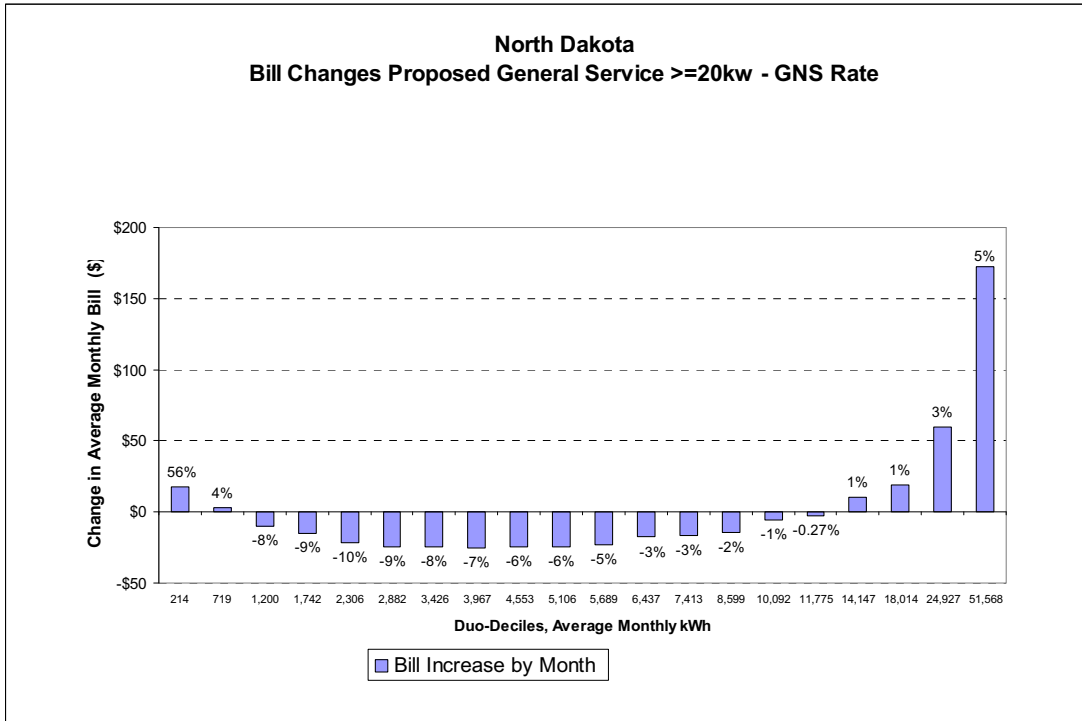


Figure 8. Bill Impacts – Commercial Demand Control Customers Billed on General Service Equal to and Greater Than 20 kW

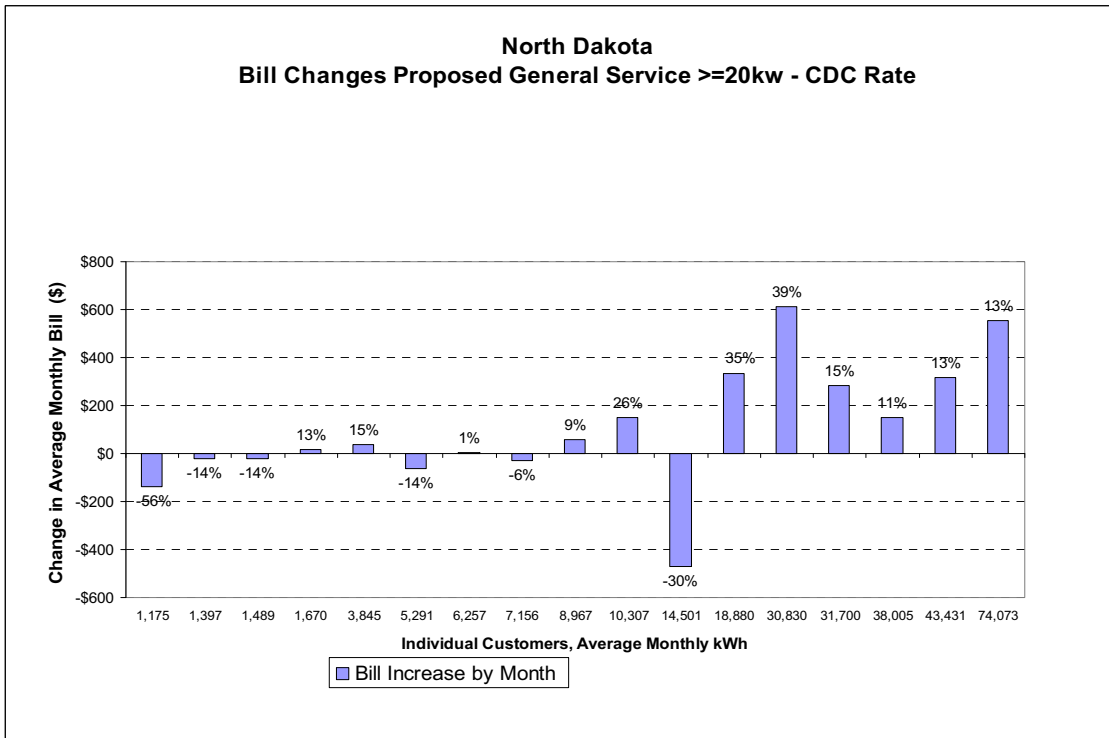


Figure 9. Bill Impacts – Electric Climate Control Customers Billed on General Service Equal to and Greater Than 20 kW

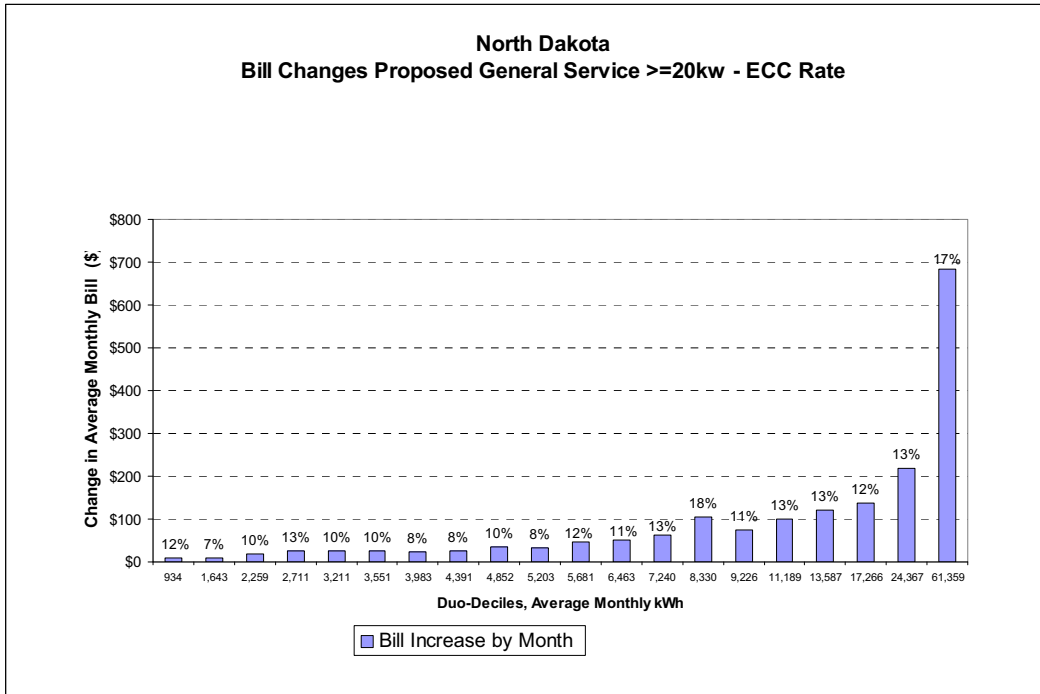


Figure 10. Bill Impacts – Large General Service

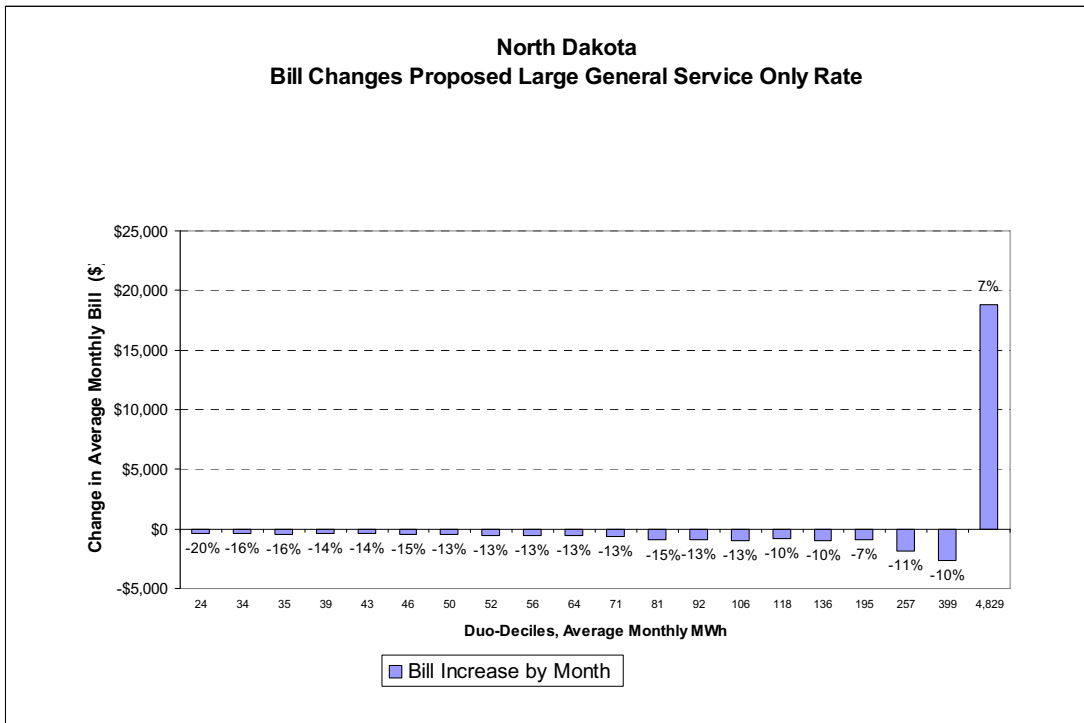


Figure 11. Bill Impacts Large General Service Off Peak Rider Customers billed on the Large General Service Rate

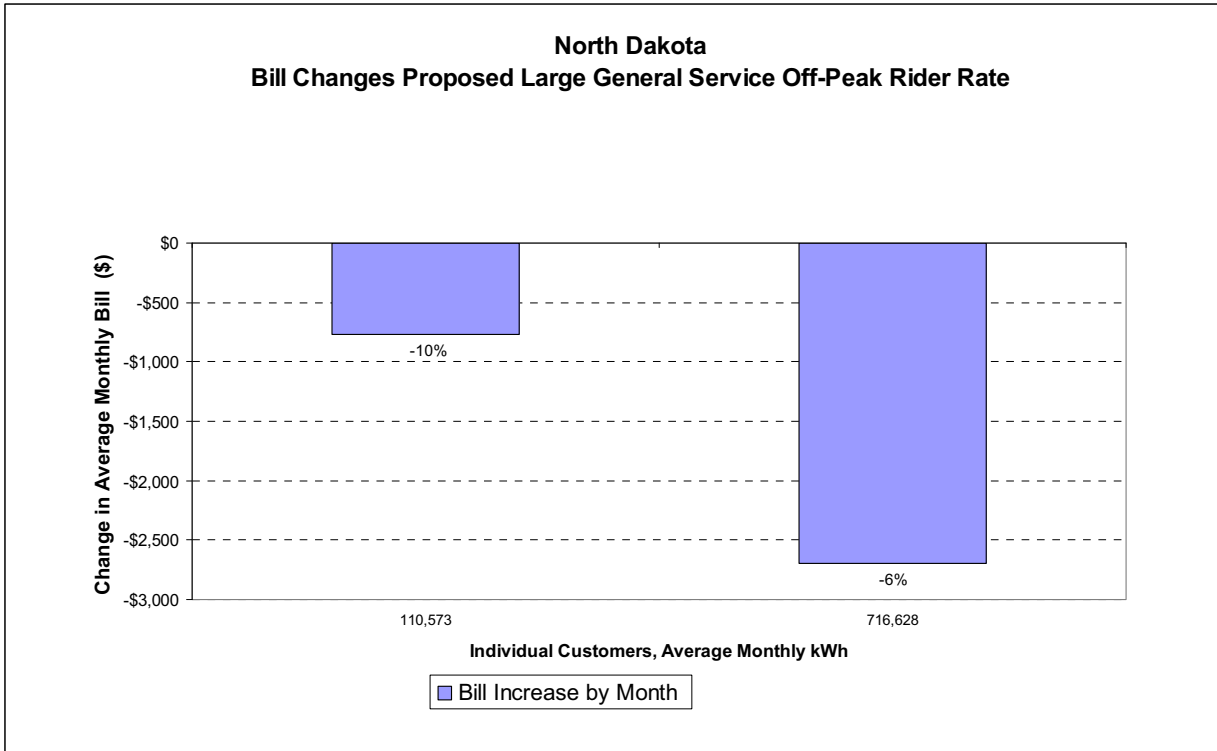


Figure 12. Bill Impacts - Irrigation Option 1

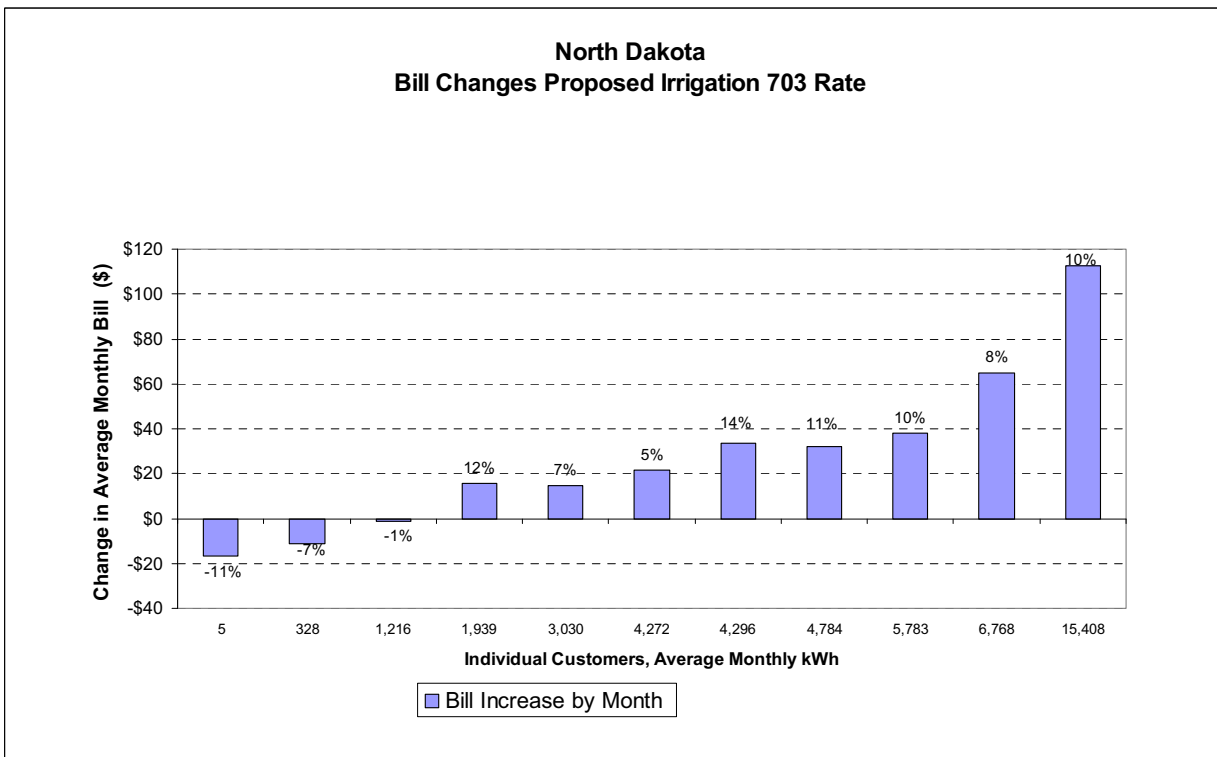


Figure 13. Bill Impacts - Irrigation Option 2

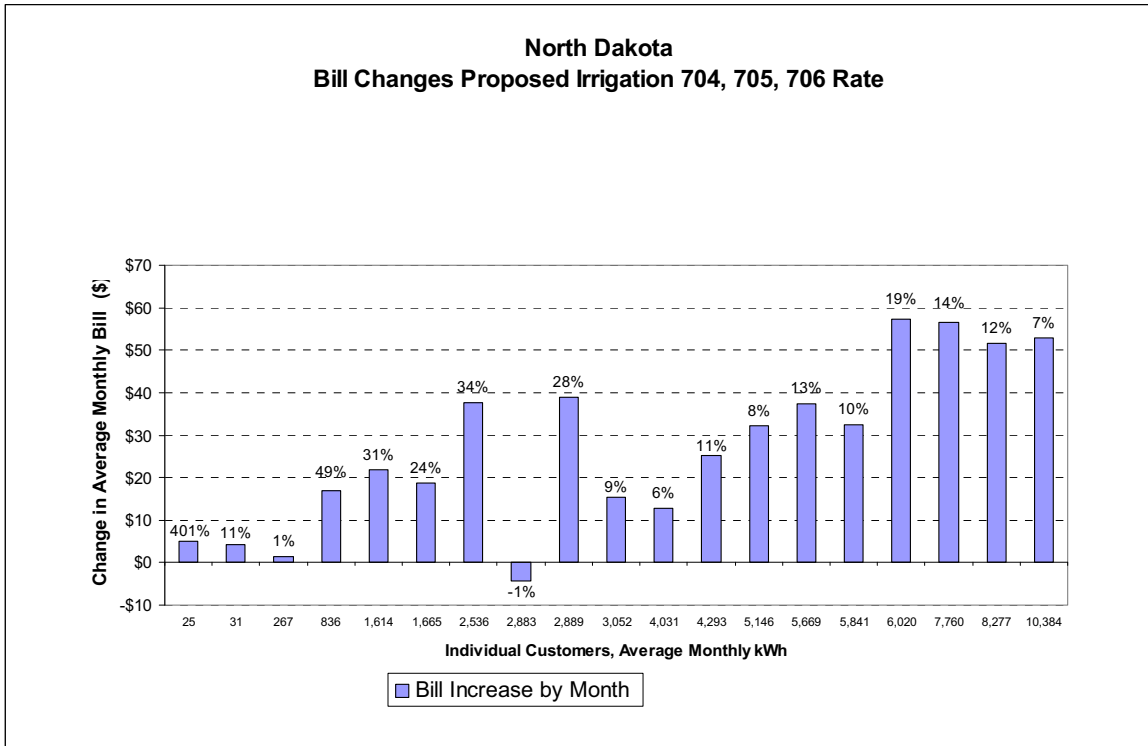


Figure 14. Municipal Pumping Bill Impacts from Recommended Rate

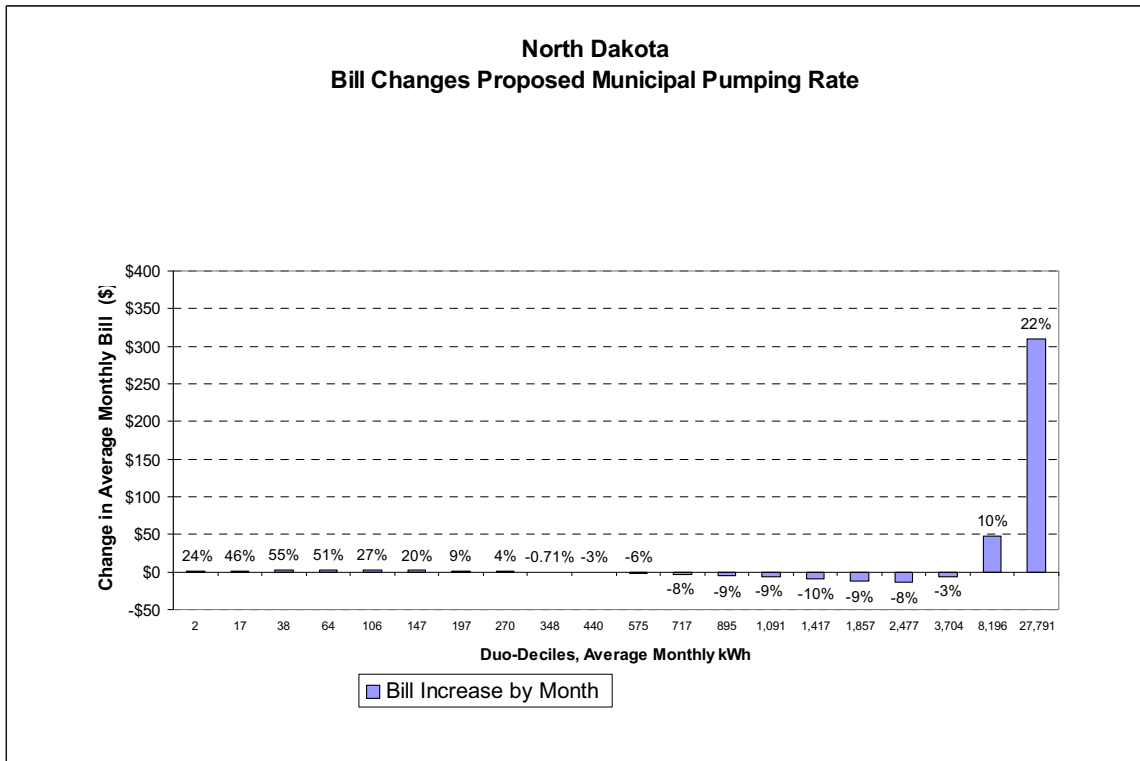


Figure 15. Civil Defense-Fire Sire Service Bill Impacts

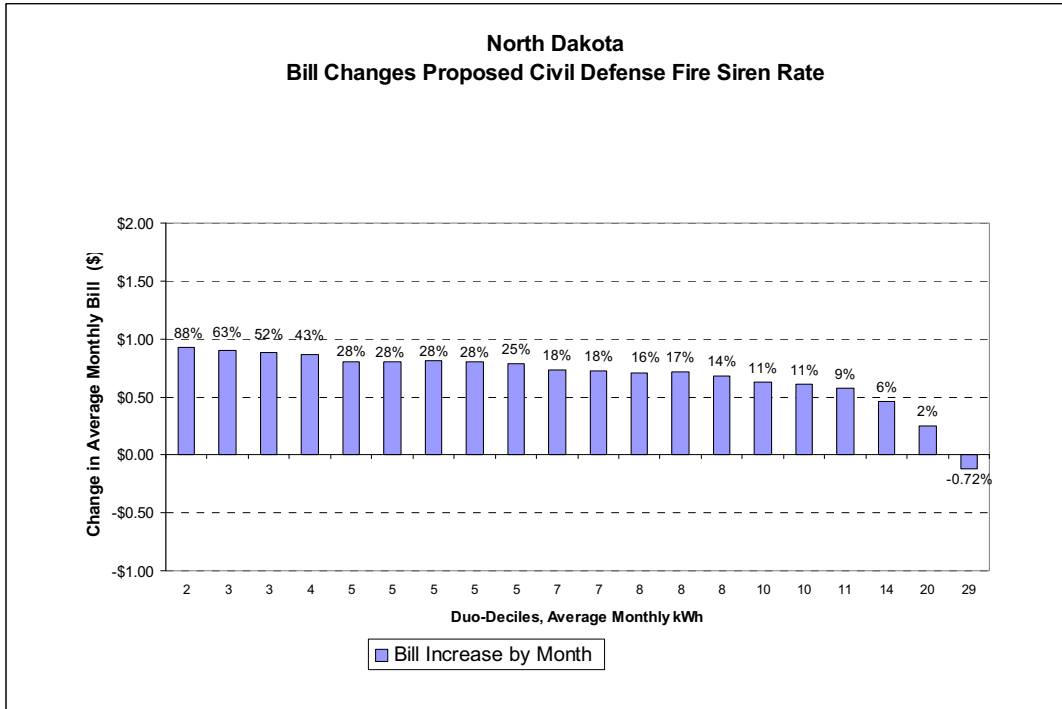


Figure 16. Bill Impacts from Proposed Water Heating –Controlled Service Rider

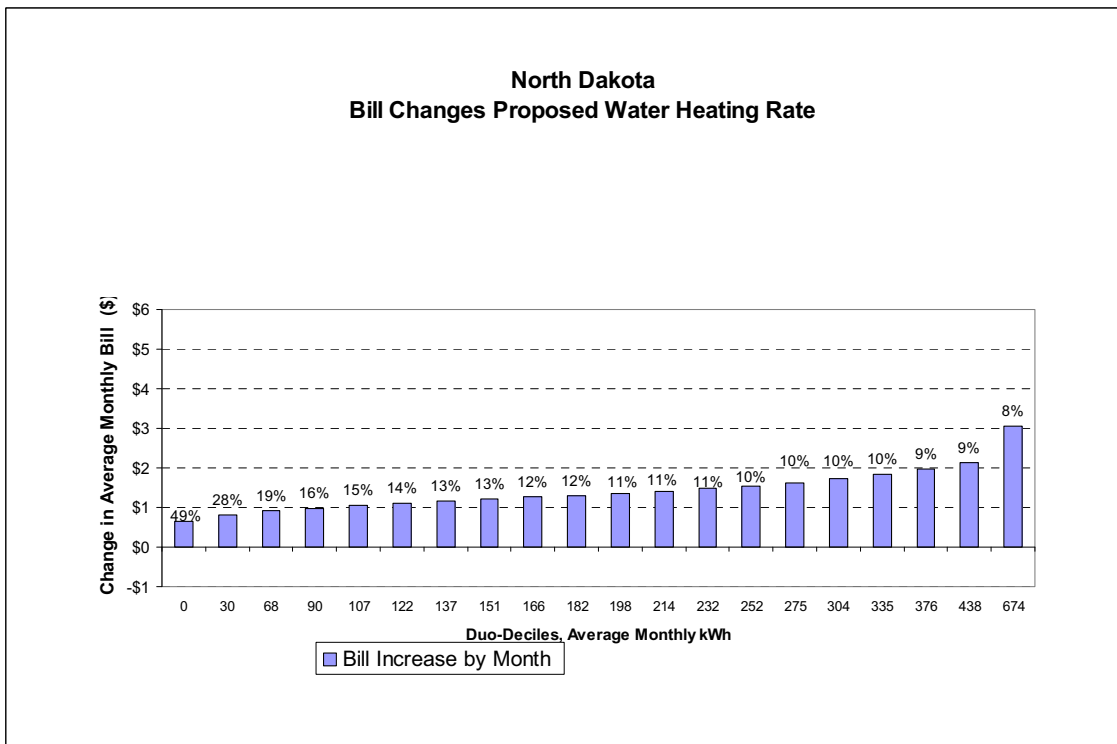


Figure 17a. Option A Bill Impacts from Proposed Controlled Service-Interruptible Load (CT Metering) Rider

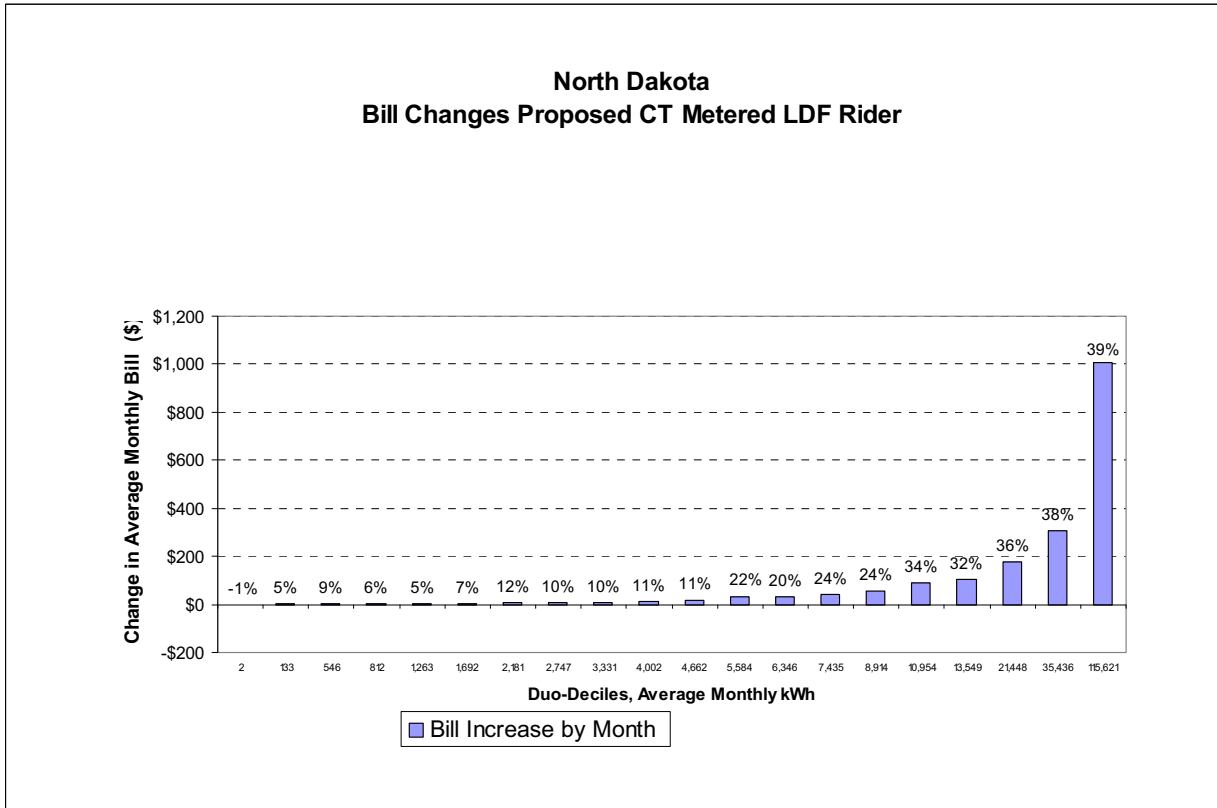


Figure 17b. Option B Bill Impacts from Proposed Controlled Service-Interruptible Load (CT Metering) Rider

Graph not generated. No customers are taking service on the Rate Schedule

Figure 18. Bill Impacts from Proposed Controlled Service-Interruptible Load (Self-Contained) Rider

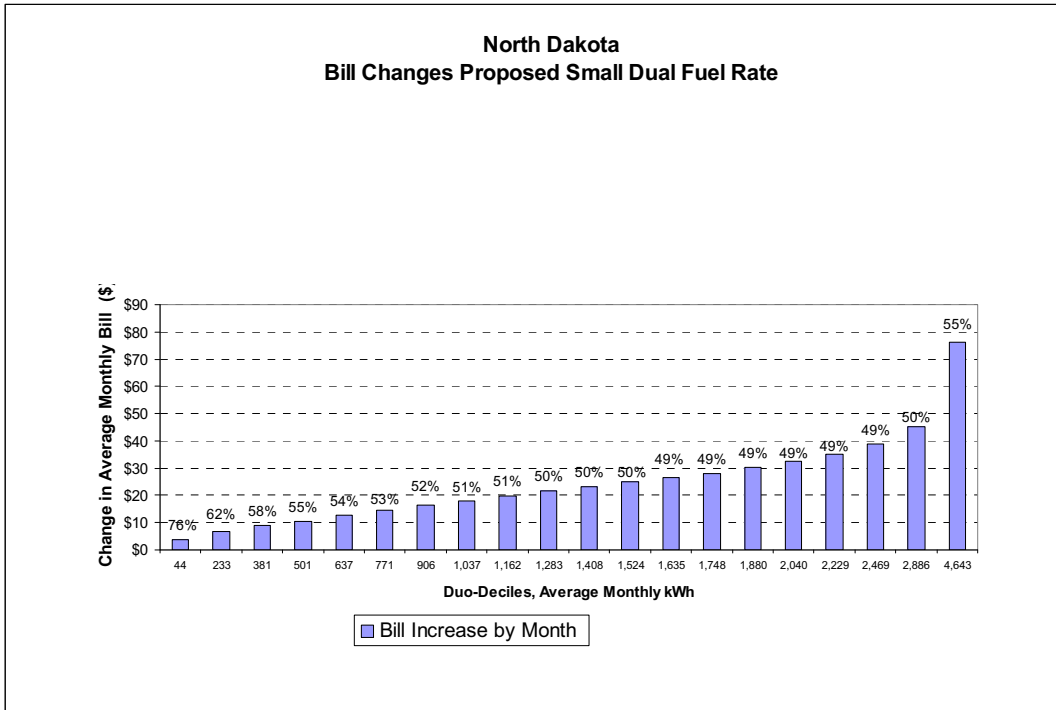


Figure 19 – Bill Impacts from Proposed Standby Service

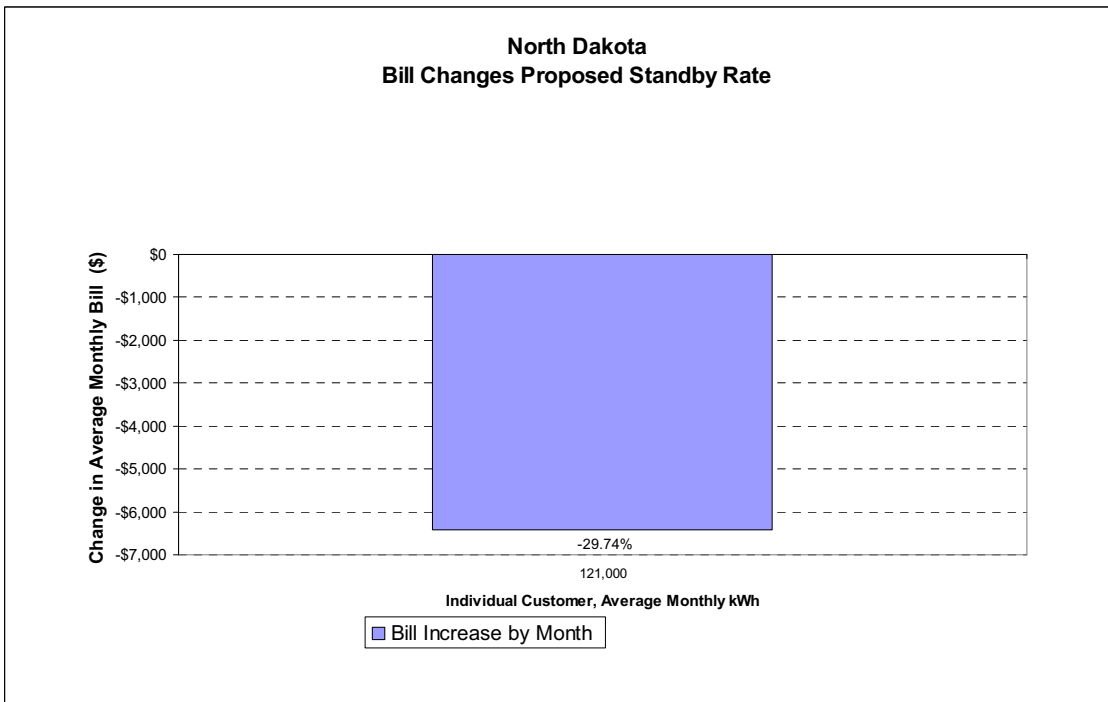


Figure 20. Bill Impacts from Proposed Deferred Load Rider

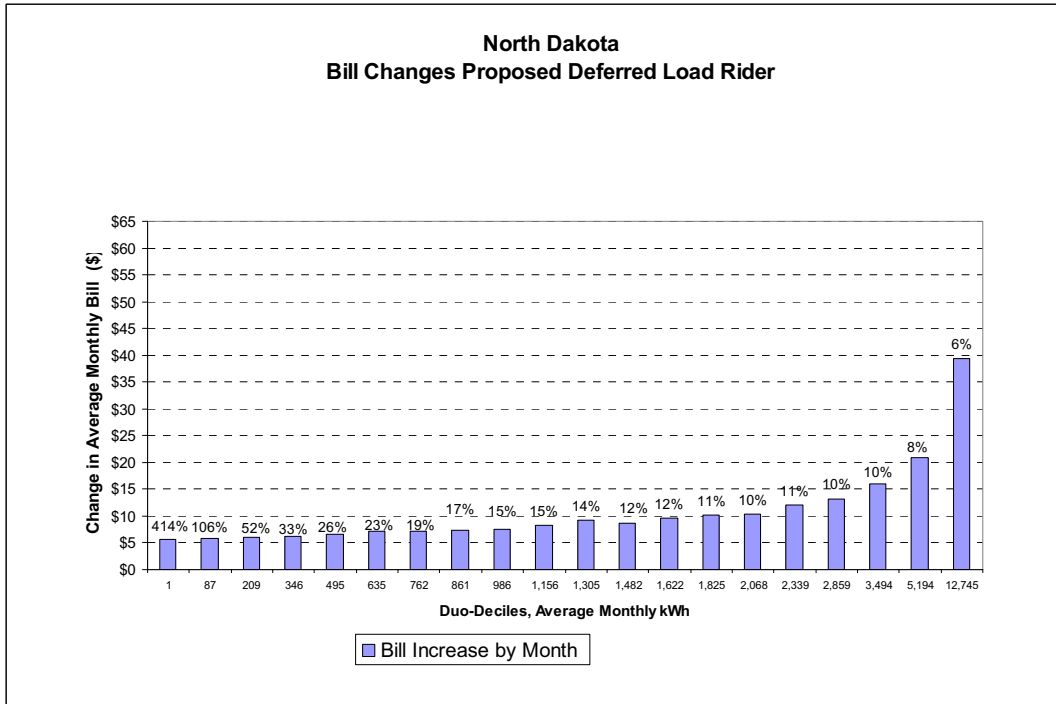


Figure 21. Bill Impacts from Proposed Fixed Time of Delivery (Self-Contained Meter) Rider

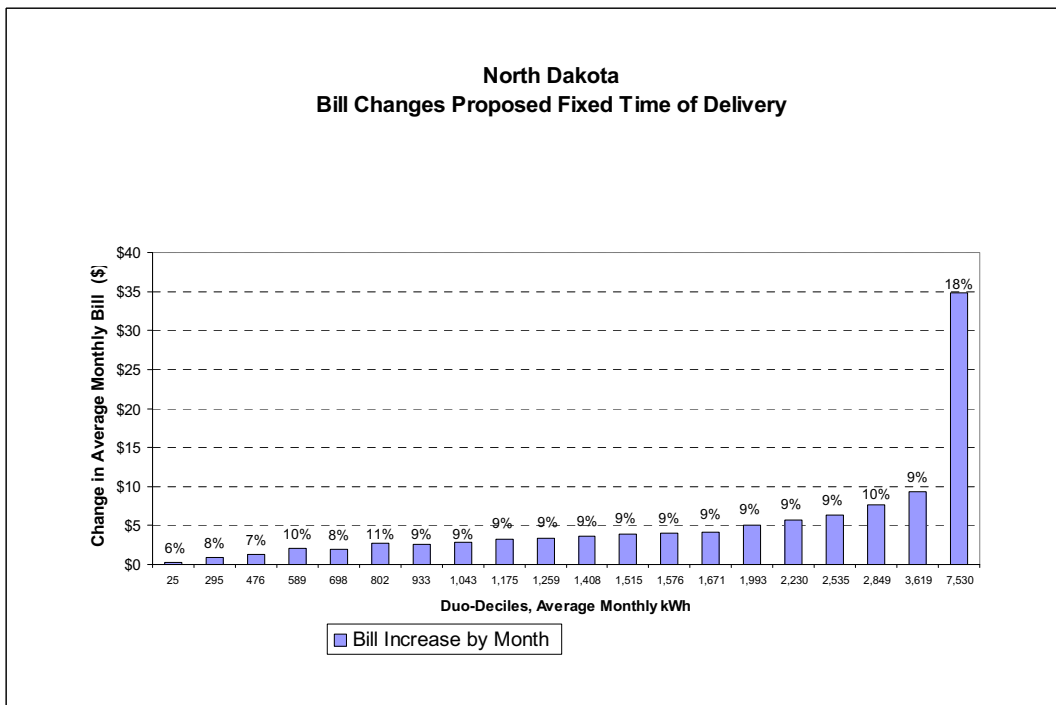
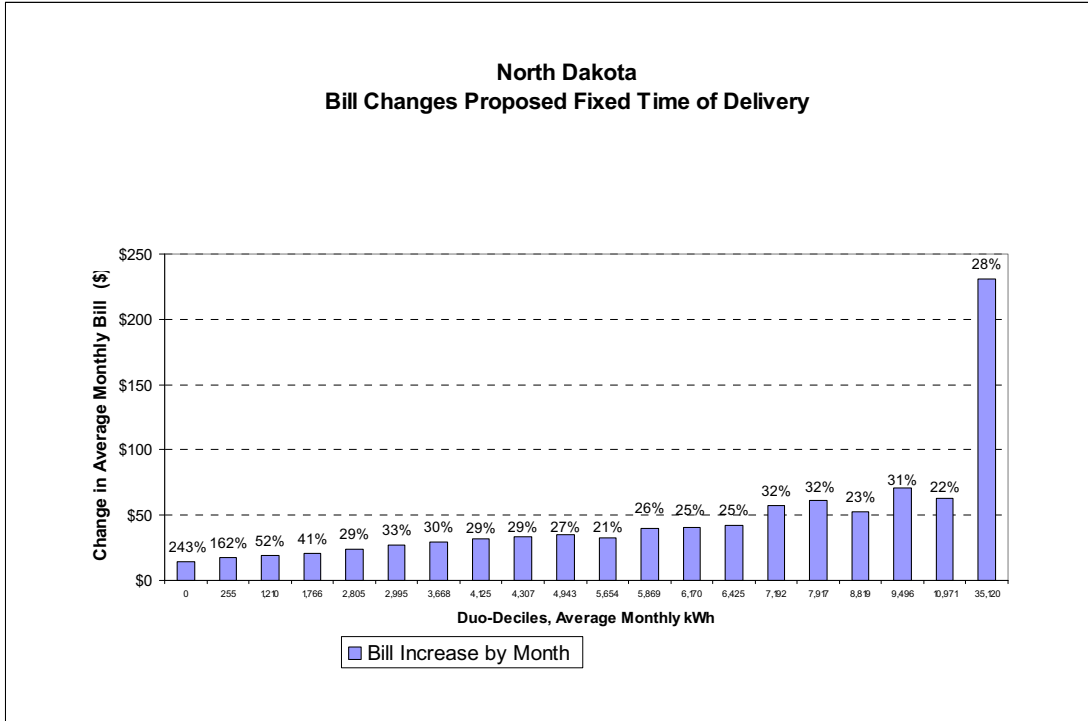


Figure 22. Bill Impacts from Proposed Fixed Time of Delivery (CT Meter) Rider



Otter Tail Corporation d/b/a OTTER TAIL POWER COMPANY
 Electric Utility - State of North Dakota
 RATE BASE SCHEDULES
 RATE BASE SUMMARY

Line No.	(A) Description	(B) 2007 Actual Year	(C) 2007 Test Year
1	Electric Plant in Service	\$382,860,302	\$410,106,455
2	Less: Accumulated Depreciation	<u>(188,378,692)</u>	<u>(189,745,784)</u>
3	Net Electric Plant in Service	\$194,481,610	\$220,360,671
Other Rate Base Components:			
4	Plant Held for Future Use	\$12,674	\$12,871
5	Construction Work in Progress	2,215,710	2,257,935
6	Materials and Supplies	5,554,248	\$5,722,628
7	Fuel Stocks	2,887,084	3,072,173
8	Prepayments	(14,003,394)	(13,256,872)
9	Customer Advances	(50,899)	(54,286)
10	Cash Working Capital	4,811,395	1,598,584
11	Accumulated Deferred Income Taxes	(30,837,636)	(32,540,502)
12	Unamortized Balance - Spiritwood	<u>0</u>	<u>0</u>
13	TOTAL	<u>\$165,070,792</u>	<u>\$187,173,203</u>

Note: The 2007 Actual Year is based on 2007 historic financial information that is the basis for OTP's Annual Report to the North Dakota Public Service Commission. The 2007 Test Year is the 2007 Actual Year with known and measureable adjustments to arrive at the Test Year.

Otter Tail Corporation d/b/a OTTER TAIL POWER COMPANY
 Electric Utility - State of North Dakota
 OPERATING INCOME SCHEDULES
 TOTAL UTILITY AND NORTH DAKOTA TEST YEAR

Line No.	Description	(A)	(B)	(C)	(D)
		2007 Test Year			
		2007 Actual Year Total Utility	2007 Actual Year ND Jurisdiction	Adjustments	2007 Test Year ND Jurisdiction
<u>OPERATING REVENUES</u>					
1	Retail Revenue	\$268,698,170	\$108,472,410	\$9,836,767	\$118,309,177
2	Other Electric Operating Revenue	33,216,346	12,622,188	1,182,244	13,804,432
3	TOTAL OPERATING REVENUE	\$301,914,516	\$121,094,598	\$11,019,011	\$132,113,609
<u>OPERATING EXPENSES</u>					
4	Production Expenses	\$160,332,202	\$62,106,875	\$5,607,864	\$67,714,739
5	Transmission Expenses	10,492,992	4,108,094	358,967	4,467,061
6	Distribution Expenses	14,686,349	6,461,701	266,101	6,727,802
7	Customer Accounting Expenses	10,507,260	4,545,083	183,687	4,728,770
8	Customer Service and Information Expenses	5,241,699	1,153,127	1,032,163	2,185,290
9	Sales Expenses	1,121,951	628,984	72,492	701,476
10	Administration and General Expenses	31,837,814	12,293,584	1,263,935	13,557,519
11	Charitable Contributions	111,967	0	114,816	114,816
12	Depreciation Expense	24,836,391	10,157,335	558,737	10,716,072
13	General Taxes	9,411,607	3,710,634	246,960	3,957,594
14	TOTAL OPERATING EXPENSES	\$268,580,233	\$105,165,417	\$9,705,723	\$114,871,140
15	NET OPERATING INCOME BEFORE INCOME TAXES	\$33,334,283	\$15,929,181	\$1,313,288	\$17,242,469
<u>INCOME TAX EXPENSE</u>					
17	Investment Tax Credit	(\$1,136,657)	(\$459,510)	(\$16,862)	(\$476,371)
18	Deferred Income Taxes	477,922	207,151	6,035	213,186
19	Income Taxes	8,005,239	4,298,276	265,235	4,563,511
20	TOTAL INCOME TAX EXPENSE	\$7,346,504	\$4,045,918	\$254,408	\$4,300,326
21	NET OPERATING INCOME	\$25,987,779	\$11,883,263	\$1,058,880	\$12,942,143
22	Allowance for Funds Used During Construction	2,257,062	0	0	0
23	TOTAL AVAILABLE FOR RETURN	\$28,244,841	\$11,883,263	\$1,058,880	\$12,942,143

Otter Tail Corporation d/b/a OTTER TAIL POWER COMPANY
 Electric Utility - State of North Dakota
 OPERATING INCOME SCHEDULES
 COMPUTATION OF FEDERAL AND STATE INCOME TAXES

Line No.	Description	(A)	(B)	(C)	(D)
		2007 Actual Year		2007 Test Year	
		Total Utility	ND Jurisdiction	Total Utility	ND Jurisdiction
<u>Income Before Taxes</u>					
1	Total Operating Revenues	\$301,914,516	\$121,094,598	\$312,798,544	\$132,113,609
2	less: Total Operating Expenses	(234,332,234)	(91,297,449)	(243,802,874)	(100,197,474)
3	Book Depreciation & Amortization	(24,836,391)	(10,157,335)	(25,546,230)	(10,716,072)
4	Taxes Other Than Income	(9,411,607)	(3,710,634)	(9,411,607)	(3,957,594)
5	Interest Cost	(11,554,397)	(4,489,926)	(12,265,525)	(5,091,111)
6	Total Before Tax Book Income	\$21,779,887	\$11,439,254	\$21,772,307	\$12,151,358
<u>Tax Additions</u>					
7	Additional Tax Depreciation				
8	Directly Assigned Schedule M Items	93,287	59,233	93,287	59,233
9	Provisions - Operating Reserves	8,598,414	3,390,023	8,598,414	3,615,645
10	Other Schedule M Items	1,606,800	633,499	1,606,800	675,662
11	Total Tax Additions	\$10,298,501	\$4,082,755	\$10,298,501	\$4,350,540
<u>Tax Deductions</u>					
12	Additional Tax Depreciation	\$2,701,294	\$1,065,016	\$2,701,294	\$1,135,898
13	Cost to Remove	3,949,203	1,557,018	3,949,203	1,660,645
14	Accrued Vacation Pay	87,932	34,668	87,932	36,976
15	Charges - Operating Reserves	4,671,807	1,841,913	4,671,807	1,964,501
	Preferred Dividends Paid Credit	160,775	63,387	160,775	67,606
16	Other Schedule M Items	-	-	-	-
17	Total Tax Deductions	\$11,571,011	\$4,562,002	\$11,571,011	\$4,865,626
18	ND Adjustments to Federal Schedule M; ND Jurisdiction	-	10,845	-	11,567
19	State Taxable Income	\$20,507,377	\$10,949,162	\$20,499,797	\$11,624,705
20	State Income Tax Rate	6.21%	6.50%	6.11%	6.50%
21	Total State Income Taxes & ND Incremental Tax Rate Adj (\$505)	\$1,273,318	\$711,191	\$1,252,992	\$755,101
22	Federal Taxable Income	\$19,234,059	\$10,237,971	\$19,246,805	\$10,869,604
23	Addback of MN Adjustments to Federal Schedule M; MN Jurisdiction		10,845		11,567
24	Adjusted Federal Taxable Income	\$19,234,059	\$10,248,817	\$19,246,805	\$10,881,171
25	Federal Income Tax Rate	35.00%	35.00%	35.00%	35.00%
26	Total Federal Income Taxes	\$6,731,921	\$3,587,086	\$6,736,382	\$3,808,410
27	Total State and Federal Income Tax	\$8,005,239	\$4,298,277	\$7,989,374	\$4,563,511

Otter Tail Corporation d/b/a OTTER TAIL POWER COMPANY
 Electric Utility - State of North Dakota
 OPERATING INCOME SCHEDULES
 COMPUTATION OF DEFERRED INCOME TAXES

Line No.	Description	2007 Actual Year		2007 Test Year	
		Total Utility (A)	ND Jurisdiction (B)	Total Utility (C)	ND Jurisdiction (D)
1	Excess Tax Over Book Depreciation	\$4,006,368	\$1,578,377	\$4,006,368	\$1,665,378
2	Excess Tax Over Book Pensions	(1,759,616)	\$ (695,826)	(1,759,616)	(734,686)
3	Capitalized A & G Expenses	(456,241)	(181,261)	(456,241)	(191,410)
4	Provisions for Operating Reserves in Excess of Actual Charges	(1,513,024)	(602,046)	(1,513,024)	(635,766)
5	Other Capitalized Items	<u>200,435</u>	<u>107,906</u>	<u>200,435</u>	<u>109,668</u>
6	TOTAL Deferred Income Taxes	<u>\$477,922</u>	<u>\$207,151</u>	<u>\$477,922</u>	<u>\$213,186</u>

Otter Tail Corporation d/b/a OTTER TAIL POWER COMPANY
 Electric Utility - State of North Dakota
 DEVELOPMENT OF GROSS REVENUE CONVERSION FACTOR

Definition: The incremental amount of gross revenue required to generate an additional dollar of operating income. Gross earnings fees included.

Line_No.	Description				% of Incremental Gross Revenues
1	Federal Income Taxes				32.73%
2	State Income Taxes				6.50%
3	Total Tax Percentage				<u>39.23%</u>
4	Operating Income %	=	100% - 39.23%	=	60.78%
5	Gross Revenue	=	<u>100.00%</u>	=	<u>1.645413</u>
	Conversion Factor		60.77%		<u>1.645413</u>

Otter Tail Corporation d/b/a OTTER TAIL POWER COMPANY
 Electric Utility - State of North Dakota
 Cost of Service Study
 2007 Test Year

Capitalization Summary

<u>Line No.</u>	<u>Capitalization:</u>	<u>(A)</u> Amount	<u>(B)</u> Percent of Total Capitalization	<u>(C)</u> Cost of Capital	<u>(D)</u> Weighted Cost of Capital
1	Long-Term Debt	\$173,571,466	40.3%	6.33%	2.55%
2	Short-Term Debt	<u>12,154,247</u>	<u>2.8%</u>	5.85%	<u>0.16%</u>
3	Long-Term and Short-Term Debt	\$185,725,713	43.1%	6.30%	2.72%
4	Preferred Stock	15,500,000	3.6%	4.75%	0.17%
5	Common Equity	<u>229,633,133</u>	<u>53.3%</u>	11.25%	<u>6.00%</u>
6	Total Capitalization	<u><u>\$430,858,846</u></u>	<u><u>100.0%</u></u>		<u><u>8.89%</u></u>

Otter Tail Corporation d/b/a OTTER TAIL POWER COMPANY
 Electric Utility - State of North Dakota
 RATE BASE SCHEDULES
 RATE BASE ADJUSTMENTS
 2007 Actual Year versus 2007 Test Year

Line No.	Description	(A) 2007 Actual Year	(B) Annualize Plant in Service	(C) Prepayments	(D) Depreciation Direct Assignment to Allocated	(E) Depreciation to Reflect 2008 Rates	(F) Depreciation to Reflect 2009 Rates	(G) Factor Change for New Large Customer	(H) Changes in Allocations due to Effect of Test Year Adjustments Affecting CWC	(I) Income Statement Adjustments	(J) 2007 Test Year
Utility Plant in Service:											
1	Production	\$139,125,650	\$6,549,415	\$0	\$0	\$0	\$0	\$8,809,086	-\$1	\$0	\$154,484,150
2	Transmission	74,645,372	5,211,576					4,016,143			83,873,091
3	Distribution	139,614,140	293,839					108,308			140,016,287
4	General	27,876,579	645,009					845,988	532,219		29,899,795
5	Intangible	1,479,926	161,384					44,912	28,275		1,714,497
6	TOTAL Utility Plant in Service	\$382,741,667	\$12,861,223	\$0	\$0	\$0	\$0	\$13,824,437	\$560,493	\$0	\$409,987,820
Accumulated Depreciation											
7	Production	(\$86,189,731)	(\$264,149)		(\$996,931)	(\$53,056)	(\$35,518)				(\$87,539,365)
8	Transmission	(30,696,441)	(115,397)		(820,531)	21,320	108,549				(31,502,500)
9	Distribution	(59,315,268)	(19,306)		895,541	17,247	43,599				(58,378,187)
10	General	(11,779,824)	(28,341)		(131,336)	2,394	92,515		516		(11,844,076)
11	Intangible	(397,428)	(64,553)					(12,061)	(7,593)		(481,635)
12	TOTAL Accumulated Depreciation	(\$188,378,692)	(\$491,746)	\$0	(\$1,053,257)	(\$12,095)	\$209,145	(\$12,061)	(\$7,077)	\$0	(\$189,745,763)
13	NET Utility Plant in Service										
14	Production	\$52,935,919	\$6,285,266	\$0	(\$996,931)	(\$53,056)	(\$35,518)	\$8,809,086	\$0	\$0	\$66,944,765
15	Transmission	43,948,931	5,096,179	0	(820,531)	21,320	108,549	4,016,143	0	0	52,370,591
16	Distribution	80,298,872	274,533	0	895,541	17,247	43,599	108,308	0	0	81,638,100
17	General	16,096,755	616,668	0	(131,336)	2,394	92,515	845,988	0	0	18,055,719
18	Intangible	1,082,498	96,831	0	0	0	0	32,851	0	0	1,232,862
19	NET Utility Plant in Service	\$194,362,975	\$12,369,477	\$0	(\$1,053,257)	(\$12,095)	\$209,145	\$13,812,376	\$0	\$0	\$220,242,037
20	Big Stone Plant capitalized items	\$118,635									118,635
21	Utility Plant Held for Future Use	12,674						197			12,871
22	Construction Work in Progress	2,215,710						32,372	9,853		2,257,935
23	Materials and Supplies	5,554,248						168,489	(109)		5,722,628
24	Fuel Stocks	2,887,084						185,089			3,072,173
25	Prepayments	(14,003,394)		1,678,516				(994,542)	62,548		(13,256,872)
26	Customer Advances	(50,899)						(3,615)	228		(54,286)
27	Cash Working Capital	4,811,395						134,322		(3,347,133)	1,598,584
28	Accumulated Deferred Income Taxes	(30,837,636)						(1,844,693)	141,827		(32,540,502)
29	Total Average Rate Base	\$165,070,792	\$12,369,477	\$1,678,516	(\$1,053,257)	(\$12,095)	\$209,145	\$11,489,995	\$214,347	(\$3,347,133)	\$187,173,203

Column references to adjustment workpapers

- (B) W/P 2007 ND TY-01
- (C) W/P 2007 ND TY-02
- (D) W/P 2007 ND TY-03
- (E) W/P 2007 ND TY-07
- (F) W/P 2007 ND TY-08

Otter Tail Corporation db/a OTTER TAIL POWER COMPANY
 Electric Utility - State of North Dakota
 OPERATING INCOME STATEMENT SCHEDULES
 OPERATING INCOME STATEMENT ADJUSTMENTS SCHEDULE

Line No.	Description	KNOWN AND MEASURABLE CHANGES									
		(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)
OPERATING REVENUES											
1	Retail Revenue	\$108,472,410	\$8,882,240		\$309,796			\$644,731			
2	Other Electric Operating Revenue	12,622,188		189,857		250,101					
3	TOTAL OPERATING REVENUE	\$121,094,598	\$8,882,240	\$189,857	\$309,796	\$250,101	\$0	\$644,731	\$0	\$0	\$0
OPERATING EXPENSES											
4	Production Expenses	\$62,106,875	\$3,004,397			\$578,788	\$309,019	\$256,990			
5	Transmission Expenses	4,108,094									
6	Distribution Expenses	6,461,701									
7	Customer Accounting Expenses	4,545,083									
8	Customer Service and Information Expenses	1,153,127									
9	Sales Expenses	626,984									
10	Administration and General Expenses	12,293,584									
11	Charitable Contributions	0									
12	Depreciation Expense	10,157,395							268,864	479,389	(197,050)
13	General Taxes	3,710,634									
14	TOTAL OPERATING EXPENSES	\$105,165,417	\$3,004,397	\$0	\$0	\$578,788	\$309,019	\$256,990	\$268,864	\$479,389	(\$197,050)
15	NET OPERATING INCOME BEFORE INCOME TAXES	\$15,929,181	\$5,877,843	\$189,857	\$309,796	(\$328,687)	(\$309,019)	\$387,741	(\$268,864)	(\$479,389)	\$197,050
INCOME TAX EXPENSE											
16	Investment Tax Credit										
17	Deferred Income Taxes										
18	Income Taxes	4,298,276	2,305,584	74,472	121,518	(128,928)	(121,213)	152,092	(105,482)	(188,040)	77,293
19	TOTAL INCOME TAX EXPENSE	\$4,045,918	\$2,305,584	\$74,472	\$121,518	(\$128,928)	(\$121,213)	\$152,092	(\$105,482)	(\$188,040)	\$77,293
20	NET OPERATING INCOME	\$11,883,263	\$3,572,259	\$115,386	\$188,279	(\$199,760)	(\$187,807)	\$235,650	(\$163,402)	(\$291,349)	\$119,757
21	Allowance for Funds Used During Construction	0									
22	TOTAL AVAILABLE FOR RETURN	\$11,883,263	\$3,572,259	\$115,386	\$188,279	(\$199,760)	(\$187,807)	\$235,650	(\$163,402)	(\$291,349)	\$119,757

Column references to adjustment workpapers:
 (B) WIP 2007 ND TY-10
 (C) WIP 2007 ND TY-11
 (D) WIP 2007 ND TY-20
 (E) WIP 2007 ND TY-15
 (F) WIP 2007 ND TY-21
 (G) WIP 2007 ND TY-21
 (H) WIP 2007 ND TY-03
 (I) WIP 2007 ND TY-01
 (J) WIP 2007 ND TY-07 & TY-08
 (K) WIP 2007 ND TY-05
 (L) WIP 2007 ND TY-05
 (M) WIP 2007 ND TY-05
 (N) WIP 2007 ND TY-12
 (O) WIP 2007 ND TY-12
 (P) WIP 2007 ND TY-16
 (Q) WIP 2007 ND TY-19
 (R) WIP 2007 ND TY-17
 (S) None
 (T) WIP 2007 ND TY-18
 (U) WIP 2007 ND TY-09
 (V) WIP 2007 ND TY-06
 (W) WIP 2007 ND TY-04
 (X) WIP 2007 ND TY-14

Otter Tail Corporation db/a OTTER TAIL POWER COMPANY
 Electric Utility - State of North Dakota
 OPERATING INCOME STATEMENT SCHEDULES
 OPERATING INCOME STATEMENT ADJUSTMENTS SCHEDULE

KNOWN AND MEASURABLE CHANGES											
Line No.	Description	(K)	(L)	(M)	(N)	(O)	(P)	(Q)	(R)	(S)	(T)
		Employee Benefits Medical/Dental	FAS 87 Pension Costs	FAS 106 & 112 Benefits	KPA & Utility Management Incentive	Labor Expense - April & November Annual Increases	Wholesale Margins Non-Asset Based Expense	Big Stone Outage Purchased Power	Energy Efficiency Programs	Factor Change for New Large Customer	Charitable Contributions
1	Retail Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$762,538	\$0
2	Other Electric Operating Revenue										
3	TOTAL OPERATING REVENUE										
4	OPERATING EXPENSES										
4	Production Expenses	\$125,279	(\$128,842)	\$37,016	\$7,010	\$320,198	\$674,535	(\$2,949,824)		\$3,547,621	
5	Transmission Expenses	49,017	(50,847)	14,484	2,743	125,281				221,028	
6	Distribution Expenses	92,934	(101,519)	27,457	5,201	237,524				4,576	
7	Customer Accounting Expenses	65,274	(71,354)	19,285	3,653	166,831				0	
8	Customer Service and Information Expenses	37,387	(40,870)	11,047	640	29,212			1,000,000	0	
9	Sales Expenses									0	
10	Administration and General Expenses	171,766	(182,429)	50,749	41,811	438,532	54			427,442	114,816
11	Charitable Contributions									0	
12	Depreciation Expense									4,940	
13	General Taxes									263,535	
14	TOTAL OPERATING EXPENSES	\$54,1657	(\$575,861)	\$160,038	\$61,058	\$1,317,578	\$674,589	(\$2,949,824)	\$1,000,000	\$4,469,142	\$114,816
15	NET OPERATING INCOME BEFORE INCOME TAXES	(\$54,1657)	\$575,861	(\$160,038)	(\$61,058)	(\$1,317,578)	(\$674,589)	\$2,949,824	(\$1,000,000)	(\$3,706,604)	(\$114,816)
16	INCOME TAX EXPENSE										
17	Investment Tax Credit										
18	Deferred Income Taxes										
19	Income Taxes	(212,465)	225,881	(62,775)	(23,950)	(516,820)	(264,608)	1,157,068	(392,250)	(1,591,538)	(45,037)
20	TOTAL INCOME TAX EXPENSE	(\$212,465)	\$225,881	(\$62,775)	(\$23,950)	(\$516,820)	(\$264,608)	\$1,157,068	(\$392,250)	(\$1,598,163)	(\$45,037)
21	NET OPERATING INCOME	(\$329,192)	\$349,980	(\$97,263)	(\$37,108)	(\$800,758)	(\$409,981)	\$1,792,756	(\$607,750)	(\$2,108,441)	(\$89,779)
22	Allowance for Funds Used During Construction										
23	TOTAL AVAILABLE FOR RETURN	(\$329,192)	\$349,980	(\$97,263)	(\$37,108)	(\$800,758)	(\$409,981)	\$1,792,756	(\$607,750)	(\$2,108,441)	(\$89,779)

Otter Tail Corporation db/a OTTER TAIL POWER COMPANY
 Electric Utility - State of North Dakota
 OPERATING INCOME STATEMENT SCHEDULES
 OPERATING INCOME STATEMENT ADJUSTMENTS SCHEDULE

Line No.	Description	KNOWN AND MEASURABLE CHANGES									
		(U)	(V)	(W)	(X)	(Y)	(Z)	(AA)	(U)	(V)	(W)
		Economic Development	Corporate Allocations	Amortized Rate Case Expenses	Normalized Storm Repair Expense	Holding Company Formation Costs	Changes in Allocations due to Effect of Test Year Adjustments	2007 Test Year			
OPERATING REVENUES											
1	Retail Revenue						\$0	\$118,309,177			
2	Other Electric Operating Revenue						(20,252)	13,804,432			
3	TOTAL OPERATING REVENUE	\$0	\$0	\$0	\$0	\$0	(\$20,252)	\$132,113,610			
OPERATING EXPENSES											
4	Production Expenses						(\$174,324)	\$67,714,739			
5	Transmission Expenses						(2,739)	4,467,061			
6	Distribution Expenses						(72)	6,727,802			
7	Customer Accounting Expenses						(2)	4,728,770			
8	Customer Service and Information Expenses						(5,253)	2,185,290			
9	Sales Expenses	72,492					0	701,476			
10	Administration and General Expenses		(41,833)	166,667	119,992	55,363	15,801	13,557,519			
11	Charitable Contributions						0	114,816			
12	Depreciation Expense						2,594	10,716,072			
13	General Taxes						(16,575)	3,957,594			
14	TOTAL OPERATING EXPENSES	\$72,492	(\$41,833)	\$166,667	\$119,992	\$55,363	(\$180,570)	\$114,871,140			
15	NET OPERATING INCOME BEFORE INCOME TAXES	(\$72,492)	\$41,833	(\$166,667)	(\$119,992)	(\$55,363)	\$160,318	\$17,242,469			
INCOME TAX EXPENSE											
16	Investment Tax Credit							(\$476,372)			
17	Deferred Income Taxes							(3,937)			
18	Income Taxes	(28,435)	16,409	(65,375)	(47,067)	(21,724)	(49,395)	4,563,512			
19	TOTAL INCOME TAX EXPENSE	(\$28,435)	\$16,409	(\$65,375)	(\$47,067)	(\$21,724)	(\$53,597)	\$4,300,326			
20	NET OPERATING INCOME	(\$44,057)	\$25,424	(\$101,292)	(\$72,925)	(\$33,659)	\$213,915	\$12,942,143			
21	Allowance for Funds Used During Construction							0			
22	TOTAL AVAILABLE FOR RETURN	(\$44,057)	\$25,424	(\$101,292)	(\$72,925)	(\$33,659)	\$213,915	\$12,942,143			

Volume 1

Alternative Petition for Interim Rates

STATE OF NORTH DAKOTA
BEFORE THE
PUBLIC SERVICE COMMISSION

Susan E. Wefald
Kevin Cramer
Tony Clark

President
Commissioner
Commissioner

In the Matter of the Application by Otter Tail)
Corporation d/b/a Otter Tail Power Company for)
Authority to Increase Rates for Electric Service in)
North Dakota)
)

Case No. PU-08-____

**ALTERNATIVE PETITION FOR INTERIM
RATES**

A. Introduction

Otter Tail Corporation d/b/a Otter Tail Power Company (“Otter Tail Power Company” or the “Company”) hereby submits to the North Dakota Public Service Commission (the “Commission”) this Alternative Petition for Interim Rates (the “Petition”) for its North Dakota retail electric customers, pursuant to N.D. Cent. Code §49-05-06. The Company respectfully requests that the Commission authorize, on an interim basis, rate relief of \$4,810,562 or 4.07 percent to be effective January 2, 2009.

B. Effective Date

The date of the submission of this Petition is November 3, 2008. The Petition is submitted as part of the Company’s Notice of Change in Rates for Electric Service (the “Notice”). Pursuant to N.D. Cent. Code § 49-05-06, Otter Tail Power Company requests that, should the Commission suspend the operation of the general rate schedules that accompany the Notice, the proposed interim rates be made effective on January 2, 2009. N.D. Cent. Code § 49-05-06, subd. 2, provides that if interim rates are requested, the Commission “shall order that the interim rates take effect no later than sixty (60) days after the initial filing date and without a public hearing.” If the interim rate amounts are in excess of the final rates approved by the Commission, the

interim rates will be subject to refund plus reasonable interest at a rate to be determined by the Commission.

C. Description and Need for Interim Rates

Otter Tail Power Company is entitled to interim rate relief based on the Notice and its supporting schedules along with the supporting schedules attached to this Petition. The proposed interim rate increase applies to all of Otter Tail Power Company's retail electric customers in the State of North Dakota. Interim rates are needed because the increased cost of service reflected in the Company's general rate Notice will be incurred before June 3, 2009, the anticipated effective date of the general rate increase assuming the Commission suspends the rates filed with the Notice. Without interim rate relief, Otter Tail Power Company would be unable to recover these increased costs of service during any period the rates are suspended.

Schedules attached to this filing support the interim revenue deficiency of \$4,810,562 for Otter Tail Power Company's North Dakota electric utility operations. As required by N.D. Cent. Code § 49-05-06 and indicated in Schedules 2 and 4, Otter Tail Power Company has removed from the interim rate request the recovery of costs that are not of the same nature and kind as allowed in the most recent electric rate proceeding (Case No. 10,334).

In addition, the return on equity requested for interim rates for Otter Tail Power Company is 11.25 percent, which is lower than the last Commission-authorized return on equity, ordered in Case No. 10,334 or for Otter Tail Power Company's performance based rate plan in Case No. 401-00-36.

The test year for Otter Tail Power Company's general rate Notice and this Alternative Petition for Interim Rates is the calendar year ending December 31, 2007, with known and measurable changes and other appropriate ratemaking adjustments. The revenue requirement study in the general rate Notice shows an annual deficiency in revenue of \$6,084,003 or 5.14 percent under present rates. Present rates, as referred to in this Petition, are the rates authorized by the Commission in its final order in Case No. 10,334. Otter Tail Power Company is requesting an interim rate adjustment that would increase Otter Tail Power Company's test year revenues by

\$4,810,562 or a 4.07 percent increase of present retail electric revenues (exclusive of separately collected revenues related to franchise fees or gross earnings taxes imposed by local governmental units and the Company’s Renewable Resource Cost Recovery Rider, to which the interim increase will not apply).

D. Interim Rate Schedules

The following rate schedules are proposed to be increased on an interim basis on January 2, 2009:

	Rate <u>Designation</u>	Sheet <u>No.</u>
<u>RESIDENTIAL AND WATER HEATING SERVICE</u>		
Residential Service	R-01N	1
Residential Service (Controlled Demand)	R-03N	5
Water Heating (Off-Peak)	R-91N	7
<u>FARM SERVICE</u>		
Farm Service	F-61N	16
<u>GENERAL AND COMMERCIAL SERVICE</u>		
General Service	G-01N	20
General Service (Controlled Demand)	G-02N	20.1
Electric Climate Control (Nonresidential General Service) (Closed)	G-93N	29
Large General Service	C-02N	30
Real Time Pricing Rider	C-03N	30.1
Large General Service (Off-Peak Rider)	C-04N	30.2
Large General Service- Time of Day	C-05N	30.3
<u>INTERRUPTIBLE SERVICE</u>		
Controlled Service - Interruptible Load 80 kW Capacity & Greater	I-01N	50
Controlled Service - Interruptible Load Less than 80 kW Capacity	I-02N	50.1
Controlled Service - Deferred Load	I-03N	50.2
Fixed Time of Delivery Service (Less Than 100 kW)	I-04N	50.3
Fixed Time of Delivery Service (100 kW or More)	I-04N	50.4
Fixed Time of Delivery Service (Primary Service)	I-04N	50.5
Bulk Interruptible Service	I-06N	50.7

PURCHASE POWER RATE SCHEDULES

Small Power Producer Rider - Occasional Delivery	P-09N	70.8
Small Power Producer Rider - Temperature - Time of Delivery	P-10N	70.9
Small Power Producer Rider - Dependable Service	P-11N	71
Standby Service (Under 100 kW Capacity)	P-12N	71.1
Standby Service (100 kW Capacity or More)	P-13N	71.2

MISCELLANEOUS ELECTRIC RATE SCHEDULES

Irrigation Service	M-03N	90
Outdoor Lighting – Energy Only	M-41N	93
Outdoor Lighting	M-42N	94
Municipal Pumping Service	M-54N	95
Fire Sirens	M-59N	96

The rate schedules containing proposed interim rates are included along with this Petition (legislative and regular formats, respectively). No change has been made in the existing rate design. We have reset the base cost of energy to 3.0945 cents. To reflect this change, we have included an adder of 1.477 cents (the difference between the new and previous cost of energy) to each rate schedule. Along with resetting the base cost of energy, we also propose a uniform percentage increase of 4.07 percent, which would provide an additional \$4,810,562 on an annualized basis, in base rate revenues currently being recovered from each customer class.

E. Supporting Schedules and Workpapers

Schedules 1 through 4 of this Petition indicate the adjustments made to the proposed operating expense, rate base, and cost of capital included in the general rate Notice to arrive at the operating income, rate base, and cost of capital, and revenue deficiency pertaining to the interim rate increase. These adjustments were made, pursuant to N.D. Cent. Code § 49-05-06, subd. 2, to exclude any items that are not of the same nature and kind as those allowed in the Commission order in Case No. 10,334. The rate of return on equity filed in the general Notice is 11.25, which is lower than the return on equity authorized in the most recent rate case (Case No. 10,334), so we used the lower rate of return requested in this current case and no adjustment was necessary for interim rates. While we are proposing an adjustment changing the allocation methodology for depreciation expenses, the proposed change is to return to the methodology approved by the

Commission in our most recent rate case and consequently an interim rate adjustment has not been made. Schedule 5 shows the Summary Cost of Capital supporting the interim rate increase. Schedule 6 shows the jurisdictional cost of service study supporting the interim rate increase. Schedule 7 provides the increase in revenues by rate class. Schedule 8 shows the calculation of the new base cost of energy and the Change in Base Cost of Energy that has been added to the interim rate schedules. Pages 2 and 3 of Schedule 8 show the legislative and regular formats of the Cost of Energy Adjustment Clause rate schedule.

F. Interim Bills

Otter Tail Power Company proposes to include informative rate folders in customer bills beginning on January 2, 2009 and add an informational statement to customer bills to communicate to customers that their bill reflects an increase associated with the interim rate request.

G. Surety for Refund

Pursuant to N.D. Cent. Code § 49-05-06, subd. 3, the Company respectfully requests that the Commission not require a bond to secure any projected refund. The statute makes such a requirement discretionary. Otter Tail Power Company submits as part of this Petition an Agreement and Undertaking regarding the Company's commitment to refund any interim rates determined by the Commission to be unreasonable. These commitments are sufficient to secure any required refund.

H. Conclusion

Otter Tail Power Company hereby submits this Alternative Petition for Interim Rates. If the Commission suspends the operation of the general rate schedules listed in the Notice under N.D. Cent. Code § 49-05-06, the Company respectfully requests that this Alternative Petition for Interim Rates be promptly considered and accepted by the Commission, so that interim rate schedules can be effective on January 2, 2009. Interim revenues would be subject to refund pending final Commission action on the general rate increase Notice.

Dated: October 31, 2008

Respectfully submitted,

By: Thomas R. Brause

Thomas R. Brause
Vice President Administration
Otter Tail Corporation
Doing business as Otter Tail Power Company
215 South Cascade Street
Fergus Falls, MN 56537
(218) 739-8525
tbrause@otpc.com

Subscribed and sworn to before me this
31st day of October, 2008.

Ron L. Spangler
Notary Public



STATE OF NORTH DAKOTA
BEFORE THE
PUBLIC SERVICE COMMISSION

Susan E. Wefald
Kevin Cramer
Tony Clark

President
Commissioner
Commissioner

In the Matter of the Application by Otter Tail)
Corporation d/b/a Otter Tail Power Company for)
Authority to Increase Rates for Electric Service in)
North Dakota)

Case No. PU-08-___

AGREEMENT AND UNDERTAKING

Otter Tail Corporation, doing business as Otter Tail Power Company ("Otter Tail Power Company" or the "Company"), in conjunction with the Notice of Change in Rates for Electric Service filed with the North Dakota Public Service Commission (the "Commission") and its Alternative Petition For Interim Rates, makes the following unqualified agreement concerning refunding any portion of the increase in interim rates determined by the Commission to be unreasonable.

Pursuant to North Dakota Century Code § 49-05-06, subd. 4, Otter Tail Power Company hereby agrees and undertakes to refund to its customers in North Dakota the amount, if any, collected during the interim rate period in excess of final rates, plus interest at the current rate as determined by the Commission, computed from the effective date of the interim rates through the date of refund.

In addition, Otter Tail Power Company agrees to keep such records of sales and billings under the proposed interim rates as will be necessary to compute any potential refund.

Dated: November 3, 2008

By: Thomas R. Brause

Thomas R. Brause
Vice President Administration
Otter Tail Corporation d/b/a Otter Tail Power Company

Otter Tail Corporation d/b/a OTTER TAIL POWER COMPANY
 Electric Utility - State of North Dakota
 Revenue Deficiency Summary
 2007 Test Year to Interim Rate Petition

Case No. PU-08 ____
 Exhibit ____ (Interim Rate Petition)
 Financial Information
 Schedule 1

Line No.	(A) Description	(B) General Rate Application	(C) Change	(D) Interim Rate Petition
1	Average Rate Base	\$187,173,203	(\$545,212)	\$186,627,991
2	Operating Income (Before AFUDC)	\$12,942,144	\$725,464	\$13,667,608
3	Allowance for Funds Used During Construction (AFUDC)	\$0	\$0	\$0
4	Total Available for Return (Line 2 + Line 3 + Rounding)	\$12,942,144	\$725,464	\$13,667,608
5	Overall Rate of Return (Line 4 / Line 1)	6.91%	0.41%	7.32%
6	Required Rate of Return	8.89%	0.00%	8.89%
7	Operating Income Requirement (Line 1 x Line 6)	\$16,639,698	(\$48,469)	\$16,591,228
8	Income Deficiency (Line 7 - Line 4)	\$3,697,554	(\$773,934)	\$2,923,620
9	Gross Revenue Conversion Factor	1.645413	0	1.645413
10	Revenue Deficiency (Line 8 x Line 9)	\$6,084,004	(\$1,273,442)	\$4,810,562
11	Retail Related Revenues Under Present Rates	\$118,309,177	\$0	\$118,309,177
12	Percent Increase Needed in Overall Revenue (Line 10 / Line 11)	5.14%	-1.08%	4.07%

PROJECTED CHANGES

Line No.	(A) Description	(B) General Rate Application Present Rates	(C) Energy Efficiency Programs	(D) Charitable Contributions	(E) Amortized Holding Company Formation Expenses	(F) Changes in Allocations due to Effect of Test Year Adjustments	(F) Interim Rate Petition Present Rates
OPERATING REVENUES							
1	Retail Revenue	\$118,309,177				\$0	\$118,309,177
2	Other Electric Operating Revenue	13,804,432				(12,930)	13,791,502
3	TOTAL OPERATING REVENUE	\$132,113,609	\$0	\$0		(\$12,930)	\$132,100,679
OPERATING EXPENSES							
4	Production Expenses	\$67,714,740					\$67,714,740
5	Transmission Expenses	4,467,061					4,467,061
6	Distribution Expenses	6,727,802					6,727,802
7	Customer Accounting Expenses	4,728,770					4,728,770
8	Customer Service and Information Expenses	2,185,290	(1,000,000)				1,185,290
9	Sales Expenses	701,476					701,476
10	Administration and General Expenses	13,557,519			(55,383)	(32,919)	13,469,217
11	Charitable Contributions	114,816		(114,816)		0	0
12	Depreciation Expense	10,716,072				(4,286)	10,711,786
13	General Taxes	3,957,594				(10,182)	3,947,412
14	TOTAL OPERATING EXPENSES	\$114,871,140	(\$1,000,000)	(\$114,816)	(\$55,383)	(\$47,387)	\$113,653,553
15	NET OPERATING INCOME BEFORE INCOME TAXES	\$17,242,468	\$1,000,000	\$114,816	\$55,383	\$34,457	\$18,447,126
INCOME TAX EXPENSE							
17	Investment Tax Credit	(\$476,372)				\$670	(\$475,702)
18	Deferred Income Taxes	213,186				(401)	212,785
19	Income Taxes	4,563,511	392,250	45,037	21,724	19,913	5,042,435
20	TOTAL INCOME TAX EXPENSE	\$4,300,326	\$392,250	\$45,037	\$21,724	\$20,182	\$4,779,518
21	NET OPERATING INCOME	\$12,942,143	\$607,750	\$69,779	\$33,659	\$14,275	\$13,667,608
22	Allowance for Funds Used During Construction	0					0
23	TOTAL AVAILABLE FOR RETURN	\$12,942,143	\$607,750	\$69,779	\$33,659	\$14,275	\$13,667,608

Otter Tail Corporation d/b/a OTTER TAIL POWER COMPANY
Electric Utility - State of North Dakota
Operating Income - Interim Rate Petition
Present versus Proposed Rates
2007 Test Year

Case No. PU-08____
Exhibit ____ (Interim Rate Petition)
Financial Information
Schedule 3

	(A)	(B)	(C)	(D)
Line No.	Description	Interim Rate Petition Present Rates	Interim Rate Increase	Interim Rate Petition Proposed Rates
<u>OPERATING REVENUES</u>				
1	Retail Revenue	\$118,309,177	\$4,810,562	\$123,119,740
2	Other Electric Operating Revenue	<u>13,791,502</u>	<u> </u>	<u>13,791,502</u>
3	TOTAL OPERATING REVENUE	\$132,100,679	\$4,810,562	\$136,911,241
<u>OPERATING EXPENSES</u>				
4	Production Expenses	\$67,714,739		\$67,714,739
5	Transmission Expenses	4,467,061		4,467,061
6	Distribution Expenses	6,727,802		6,727,802
7	Customer Accounting Expenses	4,728,770		4,728,770
8	Customer Service and Information Expenses	1,185,290		1,185,290
9	Sales Expenses	701,476		701,476
10	Administration and General Expenses	13,469,217		13,469,217
11	Charitable Contributions	0		0
12	Depreciation Expense	10,711,786		10,711,786
13	General Taxes	<u>3,947,412</u>	<u> </u>	<u>3,947,412</u>
14	TOTAL OPERATING EXPENSES	<u>\$113,653,553</u>	<u>\$0</u>	<u>\$113,653,553</u>
15	NET OPERATING INCOME BEFORE INCOME TAXES	\$18,447,126	\$4,810,562	\$23,257,688
<u>INCOME TAX EXPENSE</u>				
17	Investment Tax Credit	(\$475,702)		(\$475,702)
18	Deferred Income Taxes	212,785		212,785
19	Income Taxes	<u>5,042,435</u>	<u>1,886,942</u>	<u>6,929,377</u>
20	TOTAL INCOME TAX EXPENSE	<u>\$4,779,518</u>	<u>\$1,886,942</u>	<u>\$6,666,460</u>
21	NET OPERATING INCOME	\$13,667,608	\$2,923,620	\$16,591,228
22	Allowance for Funds Used During Construction	<u>0</u>	<u> </u>	<u>0</u>
23	TOTAL AVAILABLE FOR RETURN	<u>\$13,667,608</u>	<u>\$2,923,620</u>	<u>\$16,591,228</u>

Otter Tail Corporation d/b/a OTTER TAIL POWER COMPANY
Electric Utility - State of North Dakota
Rate Base Summary
2007 Test Year to Interim Rate Petition

Case No. PU-08 ____
Exhibit ____ (Interim Rate Petition)
Financial Information
Schedule 4

	(A)	(B)	(C)	(D)	(E)
Line No.	Description	General Rate Application Present Rates	Cash Working Capital	Changes in Allocations due to Effect of Interim Adjustments	Interim Rate Petition Present Rates
1	Electric Plant in Service	\$410,106,455		(\$575,719)	\$409,530,736
2	Less: Accumulated Depreciation	<u>(189,745,784)</u>		8,771	<u>(189,737,013)</u>
3	Net Electric Plant in Service	\$220,360,671	\$0	(\$566,948)	\$219,793,723
	Other Rate Base Components:				
4	Plant Held for Future Use	\$12,871		0	\$12,871
5	Construction Work in Progress	2,257,935		(9,876)	2,248,059
6	Materials and Supplies	5,722,628		0	5,722,628
7	Fuel Stocks	3,072,173		0	3,072,173
8	Prepayments	(13,256,872)		34,108	(13,222,764)
9	Customer Advances	(54,286)		140	(54,146)
10	Cash Working Capital	1,598,584	(73,994)	0	1,524,590
11	Accumulated Deferred Income Taxes	(32,540,502)		71,359	(32,469,143)
12	Unamortized Balance - Spiritwood	<u>0</u>		<u>0</u>	<u>0</u>
13	TOTAL	<u>\$187,173,203</u>	<u>(\$73,993)</u>	<u>(\$471,216)</u>	<u>\$186,627,991</u>

Otter Tail Corporation d/b/a OTTER TAIL POWER COMPANY
 Electric Utility - State of North Dakota
 Summary of Cost of Capital - Interim Rate Petition
 2007 Test Year

Case No. PU-08____
 Exhibit ____ (Interim Rate Petition)
 Financial Information
 Schedule 5

	<u>(A)</u>	<u>(B)</u>	<u>(C)</u>	<u>(D)</u>
<u>Capitalization:</u>	<u>Amount (1)</u>	<u>Percent of Total Capitalization</u>	<u>Cost of Capital</u>	<u>Weighted Cost of Capital</u>
<u>2007 TEST YEAR</u>				
Long-Term Debt	\$173,571,466	40.3%	6.33%	2.55%
Short-Term Debt	<u>12,154,247</u>	<u>2.8%</u>	5.85%	<u>0.16%</u>
Long-Term and Short-Term Debt	\$185,725,713	43.1%	6.30%	2.72%
Preferred Stock	15,500,000	3.6%	4.75%	0.17%
Common Equity	<u>229,633,133</u>	<u>53.3%</u>	11.25%	<u>6.00%</u>
Total Capitalization	<u><u>\$430,858,846</u></u>	<u><u>100.0%</u></u>		<u><u>8.89%</u></u>

(1) All are based on 13-month average balances.

**OTTER TAIL POWER COMPANY
 CLASS COST OF SERVICE STUDY
 INTERIM RATES 2007 - 10 CLASSES
 INTERIM YEAR - 2007 ACTUAL WITH KNOWN AND MEASURABLE CHANGES**

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LINE NO.	ITEM	ALLOC	REFERENCE	TOTAL COMPANY	NORTH DAKOTA	ALL OTHER	LINE NO.
1	RATE BASE		Page 2-1 Line 32	459,835,396	186,627,991	273,207,405	1
2	TOTAL AVAILABLE FOR RETURN		Page 7-1 Line 43	29,721,302	13,667,608	16,053,693	2
3	RATE OF RETURN EARNED			6.46%	7.32%	5.88%	3
4	RATE OF RETURN REQUESTED				8.89%		4
5	OPERATING INCOME REQUIRED				16,591,228		5
6	TOTAL AVAILABLE FOR RETURN				13,667,608		6
7	OPERATING INCOME DEFICIENCY				2,923,620		7
8	INCREMENTAL TAXES				1,886,942		8
9	REVENUE INCREASE REQUIRED	GRCF =	1,645,413		4,810,562		9
10	PERCENTAGE INCREASE				4.07%		10
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OTTER TAIL POWER COMPANY
 CLASS COST OF SERVICE STUDY
 INTERIM RATES 2007 - 10 CLASSES
 INTERIM YEAR - 2007 ACTUAL WITH KNOWN AND MEASURABLE CHANGES

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LINE NO	ITEM	ALLOC	REFERENCE	TOTAL COMPANY	NORTH DAKOTA	ALL OTHER	LINE NO
1	ELECTRIC PLANT IN SERVICE		Page 3-1 Line 52	978,261,122	409,412,101	568,849,021	1
2	ACCUMULATED DEPRECIATION		Page 4-12 Line 22	(454,347,840)	(189,737,013)	(264,610,828)	2
3	NET PLANT EXCLUDING BIG STONE PLANT CAPITALIZED ITEMS			523,913,282	219,675,088	304,238,193	3
4	NET CAPITALIZED ITEMS - BIG STONE PLANT			129,351	118,635	10,715	4
5	NET ELECTRIC PLANT IN SERVICE		Page 4-1 Line 28	524,042,632	219,793,724	304,248,908	5
6	PLANT HELD FOR FUTURE USE		Page 4-1 Line 47	29,656	12,871	16,785	6
7	CONSTRUCTION WORK IN PROGRESS		Page 5-1 Line 31	22,045,775	2,248,059	19,797,715	7
8	MATERIALS AND SUPPLIES		Page 5-1 Line 39	13,488,511	5,722,628	7,775,884	8
9	FUEL STOCKS		Page 5-1 Line 46	7,638,969	3,072,173	4,566,796	9
10	PREPAYMENTS		Page 5-1 Line 49	(31,526,342)	(13,222,764)	(18,303,578)	10
11	CUSTOMER ADVANCES		Page 5-1 Line 51	(129,099)	(64,146)	(74,952)	11
12	CASH WORKING CAPITAL		Page 5-1 Line 53	3,767,174	1,524,590	2,242,584	12
13	ACCUMULATED DEFERRED INCOME TAXES		Page 6-1 Line 16	(79,531,881)	(32,469,143)	(47,062,738)	13
14	UNAMORTIZED BALANCE - SPIRITWOOD		Page 6-1 Line 19	-	-	-	14
15	UNAMORTIZED RATE CASE EXPENSE		Page 6-1 Line 22	-	-	-	15
16	TOTAL AVERAGE RATE BASE			499,835,399	186,627,991	273,207,408	16
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OTTER TAIL POWER COMPANY
 CLASS COST OF SERVICE STUDY
 INTERIM RATES 2007 - 10 CLASSES
 INTERIM YEAR - 2007 ACTUAL WITH KNOWN AND MEASURABLE CHANGES

LINE NO	ITEM	ALLOC	TOTAL COMPANY	NORTH DAKOTA	ALL OTHER	LINE NO
1	PLANT IN SERVICE					1
2	PRODUCTION PLANT					2
3	A/C 101 & 106 - BASE DEMAND	E1	265,318,040	105,413,237	159,904,803	3
4	PEAK DEMAND	D1	116,267,447	48,430,531	67,836,916	4
5	BASE ENERGY	E1	-	-	-	5
6						6
7	SUBTOTAL A/C 101 & 106		381,585,487	153,843,768	227,741,719	7
8						8
9	A/C 114 - BASE DEMAND	E1	1,101,931	437,807	664,124	9
10	PEAK DEMAND	D1	486,324	202,575	283,748	10
11	BASE ENERGY	E1	-	-	-	11
12						12
13	SUBTOTAL A/C 114		1,588,255	640,382	947,872	13
14						14
15	TOTAL PRODUCTION PLANT	P10	383,173,741	154,484,150	228,689,591	15
16						16
17						17
18	TRANSMISSION PLANT					18
19	A/C 101 & 106	D2	203,234,610	83,849,043	119,385,567	19
20	A/C 114	D2	58,287	24,048	34,239	20
21						21
22	TOTAL TRANSMISSION PLANT		203,292,897	83,873,091	119,419,806	22
23						23
24						24
25	DISTRIBUTION PLANT					25
26	PRIMARY DEMAND	D3	100,970,644	44,470,444	56,500,200	26
27	SECONDARY DEMAND	D4	51,891,927	23,731,703	27,860,224	27
28	PRIMARY CUSTOMER	C2	58,148,137	25,643,355	32,504,781	28
29	SECONDARY CUSTOMER	C3	59,822,510	26,434,766	33,487,744	29
30	STREET LIGHTING	C4	11,989,203	5,041,497	6,947,706	30
31	AREA LIGHTING	C5	4,476,664	2,083,462	2,393,202	31
32	METERS	C6	19,597,938	8,612,975	10,984,962	32
33	LOAD MANAGEMENT	C9	9,069,489	3,988,084	5,071,405	33
34						34
35	TOTAL DISTRIBUTION PLANT	P60	315,766,511	140,016,267	175,750,224	35
36						36
37						37
38	GENERAL PLANT					38
39	PRODUCTION	P10	26,630,015	10,736,423	15,893,592	39
40	TRANSMISSION	D2	10,400,206	4,230,841	6,169,366	40
41	DISTRIBUTION	P60	17,440,568	7,733,447	9,707,121	41
42	CUSTOMER ACCOUNTS	OXC	12,839,862	5,554,087	7,285,775	42
43	CUSTOMER SERVICE & INFO	OXI	4,459,168	980,977	3,478,191	43
44	LOAD MANAGEMENT	C9	1,350,027	59,524	75,503	44
45						45
46	TOTAL GENERAL PLANT	P80	71,904,846	29,355,299	42,549,548	46
47						47
48	INTANGIBLE PLANT	P80	4,123,127	1,683,275	2,439,852	48
49						49
50						50
51	TOTAL PLANT IN SERVICE	EPS	978,261,122	409,412,101	568,849,021	51
52						52
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OTHER TAIL POWER COMPANY
 CLASS COST OF SERVICE STUDY
 INTERIM RATES 2007 - 10 CLASSES
 INTERIM YEAR - 2007 ACTUAL WITH KNOWN AND MEASURABLE CHANGES

RUN - INTERIM RATES
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LINE NO	ITEM	ALLOC	TOTAL COMPANY	NORTH DAKOTA	ALL OTHER	LINE NO
1	ACCUMULATED DEPRECIATION					1
2	PRODUCTION PLANT					2
3	BASE DEMAND		(141,591,919)	(58,255,740)	(85,336,180)	3
4	PEAK DEMAND		(75,102,822)	(31,283,645)	(43,819,177)	4
5	BASE ENERGY		-	-	-	5
6	TOTAL PRODUCTION PLANT		(216,694,742)	(87,539,385)	(129,155,356)	6
7						7
8						8
9	TRANSMISSION PLANT		(76,356,247)	(31,502,500)	(44,853,747)	9
10						10
11						11
12	DISTRIBUTION PLANT		(131,655,231)	(58,378,187)	(73,277,043)	12
13						13
14						14
15	GENERAL PLANT		(28,483,355)	(11,844,076)	(16,639,279)	15
16						16
17						17
18	INTANGIBLE PLANT		(1,158,266)	(472,865)	(685,402)	18
19						19
20						20
21	TOTAL ACCUMULATED DEPRECIATION		(454,347,840)	(189,737,013)	(264,610,828)	21
22						22
23						23
24	NET PLANT EXCLUDING BSP CAPITALIZED ITEMS		523,913,282	219,675,088	304,238,193	24
25						25
26						26
27	BSP CAPITALIZED ITEMS		129,351	118,635	10,715	27
28						28
29						29
30	TOTAL NET PLANT IN SERVICE		524,042,632	219,793,724	304,248,909	30
31						31
32						32
33						33
34						34
35						35
36						36
37						37
38						38
39	PLANT HELD FOR FUTURE USE					39
40	PRODUCTION PLANT		-	-	-	40
41	TRANSMISSION PLANT		9,038	3,729	5,309	41
42	DISTRIBUTION PLANT		20,618	9,142	11,476	42
43	GENERAL PLANT		-	-	-	43
44	INTANGIBLE PLANT		-	-	-	44
45	TOTAL PLANT HELD FOR FUTURE USE		29,656	12,871	16,785	45
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OTTER TAIL POWER COMPANY
 CLASS COST OF SERVICE STUDY
 INTERIM RATES 2007 - 10 CLASSES
 INTERIM YEAR - 2007 ACTUAL WITH KNOWN AND MEASURABLE CHANGES

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LINE NO	ITEM	ALLOC	TOTAL COMPANY	NORTH DAKOTA	ALL OTHER	LINE NO
1	CONST.WORK-IN-PROGRESS--MAJOR PROJECTS					1
2	PRODUCTION PLANT	P10	-	-	-	2
3	TRANSMISSION PLANT	D2	-	-	-	3
4	DISTRIBUTION PLANT	P60	-	-	-	4
5	GENERAL PLANT	P90	-	-	-	5
6	INTANGIBLE PLANT	P90	-	-	-	6
7	TOTAL CWP - MAJOR PROJECTS		-	-	-	7
8		ALLOWED ONLY IN MN & FERC				8
9						9
10	CONST.WORK-IN-PROGRESS--SHORT TERM					10
11	PRODUCTION PLANT	P10	144,982	58,452	86,530	11
12	TRANSMISSION PLANT	D2	574,800	237,147	337,653	12
13	DISTRIBUTION PLANT	P60	3,202,396	1,419,997	1,782,399	13
14	GENERAL PLANT	P90	1,304,249	532,462	771,787	14
15	INTANGIBLE PLANT	P90	-	-	-	15
16	TOTAL CWP - SHORT TERM		5,226,428	2,248,059	2,978,369	16
17		ALLOWED ONLY IN MN, ND & FERC				17
18						18
19						19
20	CONST.WORK-IN-PROGRESS--LONG TERM					20
21	PRODUCTION PLANT	P10	11,352,188	-	11,352,188	21
22	TRANSMISSION PLANT	D2	2,446,437	-	2,446,437	22
23	DISTRIBUTION PLANT	P60	2,479,891	-	2,479,891	23
24	GENERAL PLANT	P90	842,291	-	842,291	24
25	INTANGIBLE PLANT	P90	(301,460)	-	(301,460)	25
26	TOTAL CWP - LONG TERM		16,819,347	-	16,819,347	26
27		ALLOWED ONLY IN MN & FERC				27
28						28
29						29
30	TOTAL CONSTRUCTION WORK-IN-PROGRESS		22,045,775	2,248,059	19,797,715	30
31						31
32						32
33	MATERIALS & SUPPLIES					33
34	PRODUCTION	P10	3,772,973	1,521,149	2,251,823	34
35	TRANSMISSION	D2	3,598,449	1,484,622	2,113,827	35
36	DISTRIBUTION	P60	6,127,090	2,716,857	3,410,233	36
37	TOTAL MATERIALS AND SUPPLIES		13,498,511	5,722,628	7,775,884	37
38						38
39	FUEL STOCKS					39
40	COAL STOCKS	E1	5,708,035	2,267,853	3,440,181	40
41	FUEL OIL STOCKS	D1	1,930,934	804,319	1,126,615	41
42	TOTAL FUEL STOCKS		7,638,969	3,072,173	4,566,796	42
43						43
44	PREPAYMENTS	NEPIS	(31,526,342)	(13,222,764)	(18,303,578)	44
45	CUSTOMER ADVANCES	NEPIS	(129,099)	(64,146)	(74,952)	45
46	CASH WORKING CAPITAL	OX	3,767,174	1,524,590	2,242,584	46
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OTTER TAIL POWER COMPANY
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OTTER TAIL POWER COMPANY
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 INTERIM YEAR - 2007 ACTUAL WITH KNOWN AND MEASURABLE CHANGES

LINE NO	ITEM	ALLOC	TOTAL COMPANY	NORTH DAKOTA	ALL OTHER	LINE NO
1	ACCUMULATED DEFERRED INCOME TAXES					1
2	ITEMS SD FLOWS THROUGH					2
3	FEDERAL		(4,449,085)	(2,059,605)	(2,389,480)	3
4	MINNESOTA		(671,579)		(671,579)	4
5	NORTH DAKOTA		(911,625)	(390,227)	(1,140)	5
6						6
7	SUBTOTAL		(5,512,272)	(2,449,831)	(3,062,441)	7
8	ALL OTHERS					8
9	FEDERAL		(61,140,230)	(25,643,408)	(35,496,822)	9
10	MINNESOTA		(8,487,754)		(8,487,754)	10
11	NORTH DAKOTA		(4,391,625)	(4,375,903)	(15,721)	11
12						12
13	SUBTOTAL		(74,019,609)	(30,019,311)	(44,000,298)	13
14						14
15	TOTAL ACCUMULATED DEFERRED INCOME TAXES		(79,531,881)	(32,469,143)	(47,062,738)	15
16						16
17	UNAMORTIZED BALANCE - SPIRITWOOD PLANT					17
18						18
19						19
20						20
21						21
22						22
23						23
24						24
25						25
26						26
27	TOTAL AVERAGE RATE BASE		499,835,399	186,627,991	273,207,405	27
28						28
29						29
30						30
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OTTER TAIL POWER COMPANY
 CLASS COST OF SERVICE STUDY
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 INTERIM YEAR - 2007 ACTUAL WITH KNOWN AND MEASURABLE CHANGES

LINE NO	ITEM	ALLOC	TOTAL COMPANY	NORTH DAKOTA	ALL OTHER	LINE NO
1	OPERATING REVENUES					1
2	SALES OF ELECTRICITY		278,520,981	118,309,177	160,211,793	2
3	OTHER OPERATING REVENUE		34,277,589	13,791,502	20,486,082	3
4						4
5	TOTAL OPERATING REVENUE		312,798,544	132,100,679	180,697,865	5
6						6
7						7
8	OPERATING EXPENSES					8
9	PRODUCTION EXPENSES		165,407,210	67,714,739	97,692,471	9
10	TRANSMISSION EXPENSES		10,827,331	4,467,061	6,360,270	10
11	DISTRIBUTION EXPENSES		15,380,331	6,727,802	8,652,529	11
12	CUSTOMER ACCOUNTING EXPENSES		10,831,905	4,728,770	6,103,135	12
13	CUSTOMER SERVICE AND INFORMATION EXPENSES		5,987,905	1,185,290	4,802,615	13
14	SALES EXPENSES		1,184,443	701,476	482,966	14
15	ADMINISTRATIVE AND GENERAL EXPENSES		33,415,269	13,469,217	19,946,047	15
16	CHARITABLE CONTRIBUTIONS		33,111,667	11,967	33,100,000	16
17	DEPRECIATION AND AMORTIZATION		25,548,230	10,711,786	14,836,445	17
18	AMORTIZATION OF BIG STONE PLANT CAPITALIZED COSTS		-	-	-	18
19	SPIRITWOOD AMORTIZATION		-	-	-	19
20	GENERAL TAXES		9,411,607	3,947,412	5,464,195	20
21						21
22	TOTAL OPERATING EXPENSES		277,514,188	113,653,553	163,860,635	22
23						23
24						24
25						25
26	NET OPERATING INCOME BEFORE INCOME TAXES		35,284,356	18,447,126	16,837,230	26
27						27
28	INCOME TAX EXPENSE					28
29	INVESTMENT TAX CREDIT		(1,136,657)	(475,702)	(660,955)	29
30	DEFERRED INCOME TAXES		477,622	212,785	264,837	30
31	INCOME TAXES		8,478,851	5,042,435	3,436,416	31
32						32
33	TOTAL INCOME TAX EXPENSE		7,820,116	4,779,518	3,040,569	33
34						34
35						35
36						36
37	NET OPERATING INCOME		27,464,240	13,667,608	13,796,661	37
38						38
39	ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION		2,257,062	-	2,257,062	39
40						40
41						41
42	TOTAL AVAILABLE FOR RETURN		29,721,302	13,667,608	16,053,893	42
43						43
44						44
45						45
46						46
47						47
48	AVERAGE CENTS PER KWH					48
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LINE NO	ITEM	ALLOC	TOTAL COMPANY	NORTH DAKOTA	ALL OTHER	LINE NO
1	OPERATING REVENUES					1
2	SALES OF ELECTRICITY	R10	278,520,981	118,309,177	160,211,783	2
3						3
4						4
5						5
6	OTHER OPERATING REVENUES					6
7	SALES FOR RESALE					7
8	MUNICIPALITIES & OFF SYSTEM SALES		211,432	-	211,432	8
9	NON-ASSOCIATED UTILITIES, CO-OPS & OPA					9
10	BUY SELL TRANSACTIONS	D2				10
11	ALL OTHER TRANSACTIONS					11
12	BASE DEMAND	E1				12
13	PEAK DEMAND	D1				13
14	BASE ENERGY	E2	20,743,342	8,508,499	12,234,843	14
15	PEAK ENERGY	D1				15
16	TOTAL ALL OTHER TRANSACTIONS		20,743,342	8,508,499	12,234,843	16
17						17
18	TOTAL SALES FOR RESALE		20,954,774	8,508,499	12,446,275	18
19						19
20						20
21	OTHER ELECTRIC REVENUES					21
22	LATE FEES					22
23	CONNECTION FEES	C1	545,326	170,779	374,547	23
24	RENT FROM ELECTRIC PROPERTY - BIG STONE		315,745	89,754	225,991	24
25	RENT FROM ELECTRIC PROPERTY - COYOTE		644,007	270,107	373,899	25
26	OTHER MISS. ELECTRIC REVENUE		60,657	(8,664)	69,321	26
27	ITA DEFICIENCY PAYMENTS		11,844	4,988	6,856	27
28	MISCELLANEOUS SERVICES		3,170,823	1,329,904	1,840,917	28
29	WHEELING		3,051,859	1,531,661	1,520,197	29
30	LOAD CONTROL AND DISPATCH		34,025	14,271	19,754	30
31	RESIDENTIAL CONSERVATION SERVICES		433,023	1,870,580	433,023	31
32			4,469,928	9,642	2,589,346	32
33	TOTAL OTHER ELECTRIC REVENUES		13,322,909	5,283,003	8,039,906	33
34	TOTAL OTHER OPERATING REVENUES		34,277,583	13,791,502	20,486,082	34
35						35
36						36
37						37
38						38
39						39
40						40
41	TOTAL OPERATING REVENUES		312,798,544	132,100,679	180,697,865	41
42						42
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OTHER TAIL POWER COMPANY
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LINE NO	ITEM	ALLOC	TOTAL COMPANY	NORTH DAKOTA	ALL OTHER	LINE NO
1	OPERATING EXPENSES					1
2	PRODUCTION EXPENSES					2
3	PROD EXPENSES EXCLUDING PURCHASED POWER					3
4	BASE DEMAND	E1	11,909,550	4,731,771	7,177,779	4
5	PEAK DEMAND	D1	5,900,454	2,457,800	3,442,654	5
6	BASE ENERGY	E2	63,884,703	26,204,212	37,680,491	6
7	PEAK ENERGY	D1	6,236,150	2,597,632	3,638,518	7
8	TOTAL EXCLUDING PURCHASED POWER		87,290,858	35,991,415	51,299,443	8
9						9
10						10
11						11
12	PURCHASED POWER					12
13	BUY SELL TRANSACTIONS					13
14	ALL OTHER TRANSACTIONS	D2	-	-	-	14
15	BASE DEMAND	E1	4,343,702	1,725,792	2,617,910	15
16	PEAK DEMAND	D1	-	-	-	16
17	BASE ENERGY	E2	73,132,650	29,997,532	43,135,118	17
18	PEAK ENERGY	D1	-	-	-	18
19						19
20	TOTAL ALL OTHER TRANSACTIONS		77,476,352	31,723,324	45,753,028	20
21						21
22	TOTAL PURCHASED POWER		77,476,352	31,723,324	45,753,028	22
23						23
24	TOTAL PRODUCTION EXPENSES		165,407,210	67,714,739	97,692,471	24
25						25
26	TRANSMISSION EXPENSES					26
27						27
28						28
29						29
30	DISTRIBUTION EXPENSES					30
31	PRIMARY DEMAND	D3	4,326,115	1,905,348	2,420,768	31
32	SECONDARY DEMAND	D4	1,385,723	637,417	748,306	32
33	PRIMARY CUSTOMER	C2	2,856,103	1,303,643	1,552,460	33
34	SECONDARY CUSTOMER	C4	2,891,285	1,054,914	1,336,372	34
35	STREET LIGHTING	C4	1,569,250	659,874	909,375	35
36	AREA LIGHTING	C5	44,713	20,809	23,903	36
37	METERS	C6	2,607,142	1,145,797	1,461,345	37
38	LOAD MANAGEMENT	C9	-	-	-	38
39						39
40	TOTAL DISTRIBUTION	OXD	15,290,331	6,727,802	8,562,529	40
41						41
42	CUSTOMER ACCOUNTING EXPENSES					42
43	METER READING	C7	4,843,083	2,044,032	2,799,052	43
44	OTHER	C8	6,068,822	2,684,738	3,404,083	44
45						45
46	TOTAL CUSTOMER ACCOUNTS	OXK	10,911,905	4,728,770	6,203,135	46
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LINE NO	ITEM	ALLOC	TOTAL COMPANY	NORTH DAKOTA	ALL OTHER	LINE NO
1	CUSTOMER SERVICE & INFORMATION EXPENSE					1
2	CONSERVATION & PROMOTIONAL REBATES	E2	2,692,028	-	2,692,028	2
3	OTHER	C1	2,695,872	1,185,290	1,510,582	3
4						4
5	TOTAL CUSTOMER SERV & INFORMATION EXP	OXI	5,387,900	1,185,290	4,202,610	5
6						6
7						7
8	SALES EXPENSES					8
9	OFF-PEAK DEVELOPMENT	C1	736,197	500,000	236,197	9
10	OTHER	C1	458,245	201,476	256,769	10
11						11
12	TOTAL SALES EXPENSES		1,194,443	701,476	492,966	12
13						13
14						14
15	ADMINISTRATIVE & GENERAL EXPENSES					15
16	SALARIES, SUPPLIES, PENSIONS & BENEFITS					16
17	PRODUCTION	OXPD	8,579,770	3,452,775	5,126,995	17
18	TRANSMISSION	D2	3,290,947	1,357,755	1,933,192	18
19	DISTRIBUTION	OXD	5,814,175	2,559,933	3,254,242	19
20	CUSTOMER ACCOUNTS	OXD	4,168,561	1,803,178	2,365,384	20
21	CUSTOMER SERVICE & INFO	C1	1,435,880	631,311	804,569	21
22						22
23	TOTAL SALARIES, SUPPLIES, PENSIONS, AND BENEFITS		23,289,334	9,804,952	13,484,383	23
24						24
25	LOAD MANAGEMENT EXPENSES	C9	-	-	-	25
26						26
27	OUTSIDE SERVICES	NEPIS	1,995,302	669,101	926,201	27
28	PROPERTY INSURANCE	NEPIS	1,259,872	528,415	731,457	28
29						29
30	INJURIES & DAMAGES	NEPIS	1,646,497	690,573	955,924	30
31						31
32	REGULATORY COMMISSION EXPENSE	R10	1,918,795	263,370	1,655,425	32
33						33
34	GENERAL ADVERTISING	C1	1,379	606	772	34
35						35
36	MISCELLANEOUS, RENTS, MAINTENANCE	P90	3,704,085	1,512,200	2,191,885	36
37						37
38	TOTAL ADMINISTRATIVE & GENERAL EXP		33,415,263	13,469,217	19,946,047	38
39						39
40						40
41	CHARITABLE CONTRIBUTIONS	C1	111,967	-	111,967	41
42						42
43						43
44						44
45	TOTAL O & M EXPENSES		242,556,350	98,994,355	143,561,995	45
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LINE NO	ITEM	ALLOC	TOTAL COMPANY	NORTH DAKOTA	ALL OTHER	LINE NO
1	DEPRECIATION EXPENSE					1
2	PRODUCTION					2
3	BASE DEMAND	E1	7,286,535	2,895,006	4,391,529	3
4	PEAK DEMAND	D1	2,847,009	1,185,906	1,661,104	4
5	BASE ENERGY	E1	-	-	-	5
6	TOTAL PRODUCTION		10,133,545	4,080,911	6,052,633	6
7						7
8						8
9	TRANSMISSION	D2	3,912,664	1,614,258	2,298,406	9
10						10
11						11
12	DISTRIBUTION	P60	8,658,518	3,839,335	4,819,183	12
13						13
14						14
15	GENERAL	P90	2,275,461	946,193	1,329,268	15
16						16
17						17
18	INTANGIBLE	P90	566,043	231,088	334,955	18
19						19
20						20
21	TOTAL DEPRECIATION EXPENSE		25,546,230	10,711,766	14,834,465	21
22						22
23						23
24						24
25						25
26						26
27						27
28	BIG STONE EXPENSE OFFSETS	P10	-	-	-	28
29						29
30	SPIRITWOOD AMORTIZATION	P10	-	-	-	30
31						31
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LINE NO	ITEM	ALLOC	TOTAL COMPANY	NORTH DAKOTA	ALL OTHER	LINE NO
1	GENERAL TAXES	NERIS	9,411,607	3,947,412	5,464,195	1
2	NET OPERATING INCOME BEFORE TAX (NOIBT)		35,284,356	18,447,126	16,837,230	2
3	INVESTMENT TAX CREDIT	EPIS	(1,136,657)	(475,702)	(660,955)	3
4	AMORTIZE PRIOR YEARS CREDIT	EPIS	-	-	-	4
5	DEBITS UTILIZED		(1,136,657)	(475,702)	(660,955)	5
6	TOTAL INVESTMENT TAX CREDIT		(1,136,657)	(475,702)	(660,955)	6
7	DEFERRED INCOME TAXES					7
8	ITEMS SOUTH DAKOTA FLOWS THROUGH					8
9	FEDERAL	NP/INR	587,347	271,901	315,447	9
10	MINNESOTA	NP/ISM	68,662	68,662	68,662	10
11	NORTH DAKOTA	NP/ISN	53,223	53,032	191	11
12	SUBTOTAL		709,232	324,933	384,299	12
13	ALL OTHER					13
14	FEDERAL	NERIS	(260,385)	(109,210)	(151,174)	14
15	MINNESOTA	NP/ISM	32,023	32,023	32,023	15
16	NORTH DAKOTA	NP/ISN	(2,948)	(2,938)	(11)	16
17	SUBTOTAL		(231,310)	(112,148)	(119,162)	17
18	TOTAL DEFERRED INCOME TAXES		477,922	212,785	265,137	18
19	CURRENT INCOME TAXES					19
20	FEDERAL					20
21	MINNESOTA					21
22	NORTH DAKOTA					22
23	SUBTOTAL					23
24	TOTAL CURRENT INCOME TAXES					24
25	TOTAL INCOME TAXES					25
26	NET OPERATING INCOME					26
27	A FDC					27
28	TOTAL AVAILABLE FOR RETURN					28
29	RATE OF RETURN ON RATE BASE					29
30	SEPARATELY CALCULATED BY JURISDICTION					30
31	FEDERAL		7,145,122	4,207,970	2,937,152	31
32	MINNESOTA		409,603	409,603	409,603	32
33	NORTH DAKOTA		834,126	834,465	(339)	33
34	TOTAL		8,478,851	5,042,435	3,436,416	34
35	TOTAL INCOME TAXES		7,820,116	4,779,518	3,040,598	35
36	NET OPERATING INCOME		27,464,240	13,667,608	13,796,631	36
37	A FDC		2,257,062	-	2,257,062	37
38	TOTAL AVAILABLE FOR RETURN		29,721,302	13,667,608	16,053,693	38
39	RATE OF RETURN ON RATE BASE		6.46%	7.32%	5.89%	39
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LINE NO	ITEM	ALLOC	TOTAL COMPANY	NORTH DAKOTA	ALL OTHER	LINE NO
1	DEVELOPMENT OF FEDERAL INCOME TAX EXPENSE					1
2	NET OPERATING INCOME BEFORE TAX (NOIBT)		35,284,356	18,447,126	16,837,230	2
3	LESS: INTEREST COST		12,263,489	5,076,281	7,187,202	3
4						4
5	NET INCOME BEFORE TAX		23,020,867	13,370,845	9,650,028	5
6	FEDERAL SCHEDULE M ADJUSTMENTS:					6
7	ADDITIONAL TAX DEPRECIATION		2,701,294	1,132,976	1,568,318	7
8	COST TO REMOVE		3,449,203	1,656,373	2,292,830	8
9	DIRECTLY ASSIGNED TO JURISDICTION		83,287	659,233	(84,946)	9
10	ACQUIRED VACATION PAY		87,637	36,880	50,757	10
11	CHARGES - OPERATING RESERVES		4,671,807	1,959,447	2,712,360	11
12	PROVISIONS - OPERATING RESERVES		(8,598,414)	(3,606,343)	(4,992,071)	12
13	UNBILLED REVENUES		160,775	67,432	93,343	13
14	PREFERRED DIVIDENDS PAID CREDIT		(1,006,800)	(673,923)	(332,877)	14
15	OTHER SCHEDULE M ITEMS					15
16	SUBTOTAL FEDERAL SCHEDULE M ADJUSTMENTS		1,272,510	513,609	758,901	16
17	FEDERAL ADJUSTED INCOME BEFORE INCOME TAXES		21,748,357	12,857,236	8,891,127	17
18	LESS:					18
19	MINNESOTA STATE INCOME TAXES		499,603	-	499,603	19
20	NORTH DAKOTA STATE INCOME TAXES		834,126	834,465	(339)	20
21	FEDERAL TAXABLE INCOME		20,414,634	12,022,770	8,391,863	21
22	FEDERAL TAX RATE		35.00%	35.00%	35.00%	22
23	FEDERAL INCOME TAX BEFORE CREDITS		7,145,122	4,207,970	2,937,152	23
24	INVESTMENT TAX CREDIT - DEBITS UTILIZED		0	0	0	24
25	FEDERAL INCOME TAXES		7,145,122	4,207,970	2,937,152	25
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OTTER TAIL POWER COMPANY
 CLASS COST OF SERVICE STUDY
 INTERIM RATES 2007 - 10 CLASSES
 INTERIM YEAR - 2007 ACTUAL WITH KNOWN AND MEASURABLE CHANGES

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LINE NO	ITEM	ALLOC	TOTAL COMPANY	NORTH DAKOTA	ALL OTHER	LINE NO
1	DEVELOPMENT OF MINNESOTA STATE INCOME TAX EXPENSE					1
2	FEDERAL ADJUSTED INCOME BEFORE INCOME TAXES		6,989,062		6,989,062	2
3						3
4	MINNESOTA ADJUSTMENTS TO FEDERAL SCHEDULE M					4
5	PAY OF ADJUSTMENT					5
6	CHANGE IN EXCESS TAX DEPRECIATION - MIN	NEPIS	(2,406,983)		(2,406,983)	6
7	CHANGE IN ACRS - ORDINARY LOSS	NEPIS				7
8	PREFERRED DIVIDENDS PAID CREDIT	NEPIS	78,232		78,232	8
9	MISCELLANEOUS ADJUSTMENTS TO FED SCHEDULE M	NEPIS	457,680		457,680	9
10						10
11						11
12	TOTAL MINNESOTA ADJUSTMENTS TO FED SCHEDULE M		(1,871,072)		(1,871,072)	12
13	MINNESOTA TAXABLE INCOME		5,097,990		5,097,990	13
14	MINNESOTA TAX RATE		9.80%		9.80%	14
15						15
16	MINNESOTA INCOME TAX		499,603		499,603	16
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18						18
19						19
20						20
21						21
22						22
23						23
24						24
25	DEVELOPMENT OF NORTH DAKOTA STATE INCOME TAX EXPENSE					25
26						26
27	FEDERAL ADJUSTED INCOME BEFORE INCOME TAXES		12,838,517	12,857,236	(18,719)	27
28						28
29	NORTH DAKOTA ADJUSTMENTS TO FEDERAL SCHEDULE M:					29
30	CHANGE IN EXCESS TAX DEPRECIATION - ND	NEPIS	(7,838)	(7,763)	(76)	30
31	CHANGE IN ACRS - ORDINARY LOSS - ND	NEPIS				31
32	CHANGE IN INCOME FROM ADR PROPERTY - ND	NEPIS				32
33	MISCELLANEOUS ADJUSTMENTS TO FED SCHEDULE M	NEPIS	(3,812)	(3,775)	(37)	33
34						34
35	TOTAL NORTH DAKOTA ADJUSTMENTS TO FED SCHEDULE M		(11,650)	(11,537)	(113)	35
36	SUBTOTAL		12,826,867	12,845,698	(18,832)	36
37	DEDUCTION OF FEDERAL INCOME TAXES		(5,848)		(5,848)	37
38						38
39	NORTH DAKOTA TAXABLE INCOME		12,827,150	12,845,698	(12,944)	39
40	NORTH DAKOTA TAX RATE		6.50%	6.50%	6.50%	40
41						41
42						42
43	NORTH DAKOTA INCOME TAX		834,126	834,465	(339)	43
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LINE NO	ITEM	FACTOR	TOTAL COMPANY	NORTH DAKOTA	ALL OTHER	LINE NO
1	MWH CONSUMPTION AT GENERATORS - PARTIAL PERCENTAGE	E1	4,082,438 100.000000%	1,621,989 39.730897%	2,460,449 60.269103%	1
2	MWH CONSUMPTION AT GENERATORS - TOTAL PERCENTAGE	E2	4,595,203 100.000000%	1,884,859 41.017975%	2,710,344 58.982025%	2
3	GENERATION DEMAND FACTOR PERCENTAGE	D1	622,316 100.000000%	259,222 41.654420%	363,094 58.345580%	3
4	TRANSMISSION DEMAND FACTOR PERCENTAGE	D2	628,307 100.000000%	259,222 41.257266%	369,085 58.742734%	4
5	DISTRIBUTION - PRIMARY DEMAND FACTOR PERCENTAGE	D3	761,059 100.000000%	393,193 44.042944%	425,866 55.957056%	5
6	DISTRIBUTION - SECONDARY DEMAND FACTOR PERCENTAGE	D4	999,305 100.000000%	459,669 45.998869%	539,636 54.001131%	6
7	CUSTOMER OR METER FACTORS TOTAL RETAIL CUSTOMERS PERCENTAGE	C1	129,675 100.000000%	57,014 43.966840%	72,661 56.033160%	7
8	RETAIL SERVICE LOCATIONS PERCENTAGE	C2	135,857 100.000000%	59,913 44.100046%	75,944 55.899954%	8
9	SECONDARY SERVICE LOCATIONS PERCENTAGE	C3	135,794 100.000000%	59,901 44.114919%	75,893 55.885082%	9
10	STREET LIGHTING FACTOR PERCENTAGE	C4	4,185,546 100.000000%	1,760,035 42.050008%	2,425,511 57.949992%	10
11	AREA LIGHTING FACTOR PERCENTAGE	C5	3,688,552 100.000000%	1,716,671 46.540512%	1,971,881 53.459488%	11
12	METER FACTOR PERCENTAGE	C6	29,240,646 100.000000%	12,850,789 43.946376%	16,389,857 56.053624%	12
13	METER READING FACTOR PERCENTAGE	C7	173,474 100.000000%	73,215 42.205172%	100,259 57.794828%	13
14	SYSTEM SERVICE LOCATIONS PERCENTAGE	C8	135,879 100.000000%	59,913 44.092906%	75,966 55.907094%	14
15	LOAD MANAGEMENT FACTOR PERCENTAGE	C9	40,923 100.000000%	18,040 44.082790%	22,883 55.917210%	15
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OTTER TAIL POWER COMPANY
 CLASS COST OF SERVICE STUDY
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LINE NO	ITEM	ALLOCATION FACTORS	TOTAL COMPANY	NORTH DAKOTA	OTHER	LINE NO
0						1
1	GROSS PLANT IN SERVICE					2
2	PRODUCTION PLANT	P10	383,173,741	154,484,150	228,689,591	3
3	PERCENTAGE		100.000000%	40.316999%	59.683002%	4
4	DISTRIBUTION PLANT	P60	315,766,511	140,016,287	175,750,224	5
5	PERCENTAGE		100.000000%	44.341715%	55.658285%	6
6	GENERAL PLANT	P90	71,894,846	29,355,299	42,549,546	7
7	PERCENTAGE		100.000000%	40.825202%	59.174798%	8
8						9
9						10
10						11
11	ELECTRIC PLANT IN SERVICE	EPIS	978,261,122	409,412,101	568,849,021	12
12	PERCENTAGE		100.000000%	41.851004%	58.148996%	13
13						14
14	NET ELECTRIC PLANT IN SERVICE	NEPIS	524,642,632	219,793,724	304,248,909	15
15	PERCENTAGE		100.000000%	41.941955%	58.058045%	16
16						17
17	OPERATION AND MAINTENANCE EXPENSE	OXPD	22,153,706	8,915,363	13,238,343	18
18	PRODUCTION EXPENSE (EXCL ENERGY)	OXD	15,280,331	6,727,802	8,552,529	19
19	PERCENTAGE		100.000000%	44.029165%	55.970835%	20
20						21
21	DISTRIBUTION EXPENSE	OXD	10,831,905	4,728,770	6,203,135	22
22	PERCENTAGE		100.000000%	43.256597%	56.743403%	23
23						24
24	CUSTOMER ACCOUNTS EXPENSE	OXI	5,387,900	1,185,290	4,202,610	25
25	PERCENTAGE		100.000000%	21.999105%	78.000895%	26
26						27
27	CUSTOMER SERVICE & INFORMATION EXPENSE					28
28	PERCENTAGE					29
29						30
30	OTHER DEFERRED INCOME TAX FACTOR	NPISM	254,173,351	0	254,173,351	31
31	MINNESOTA		100.000000%	0.000000%	100.000000%	32
32	PERCENTAGE					33
33						34
34	NORTH DAKOTA	NPISN	220,583,373	219,793,724	789,649	35
35	PERCENTAGE		100.000000%	99.642018%	0.357982%	36
36						37
37	EXCLUDING SOUTH DAKOTA	NPWNR	474,768,388	219,793,724	254,984,664	38
38	PERCENTAGE		100.000000%	46.292986%	53.707014%	39
39						40
40	LONG-TERM OWP RATIO (WARDC)	OWPLT	16,819,347	0	16,819,347	41
41	PERCENTAGE		100.000000%	0.000000%	100.000000%	42
42						43
43	REVENUE	R10	278,520,961	118,309,177	160,211,783	44
44	PERCENTAGE		100.000000%	42.477657%	57.522343%	45
45						46
46	LABOR AND RELATED EXPENSE	LRE	97,896,437	39,463,502	58,502,894	47
47	PERCENTAGE		100.000000%	40.300959%	59.699042%	48
48						49
49	TOTAL O & M EXPENSE	OX				50
50	PERCENTAGE					51
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OTTER TAIL POWER COMPANY
 CLASS COST OF SERVICE STUDY
 INTERIM RATES 2007 - 10 CLASSES
 INTERIM YEAR - 2007 ACTUAL WITH KNOWN AND MEASURABLE CHANGES

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LINE NO	ITEM	AMOUNT	AMOUNT AS A PERCENT OF TOTAL	COST OF CAPITAL	RATE OF RETURN	LINE NO
1	CAPITAL STRUCTURE- RATE OF RETURN					1
2						2
3						3
4	LONG-TERM DEBT	185,725,713	43.106%	6.30%	2.72%	4
5	PREFERRED STOCK	15,500,000	3.397%	4.75%	0.17%	5
6	COMMON EQUITY	228,633,133	53.297%	11.25%	6.09%	6
7						7
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9						9
10						10
11	TOTAL	\$430,858,846	100.00%		8.89%	11
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OTTER TAIL POWER COMPANY
 INTERIM RATES 2007 - 10.0 CLASS
 INTERIM YEAR - 2007 ACTUAL WITH KNOWN AND MEASURABLE CHANGES

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LINE NO	ITEM	ALLOCATION	TOTAL COMPANY	NORTH DAKOTA	ALL OTHER	LINE NO
1	CASH WORKING CAPITAL CALCULATION - REVENUE LEAD DAYS					1
2	REVENUES					2
3	COMPUTER MAINTAINED BILLINGS		256,380,599	108,807,866	147,572,643	3
4	MANUALLY MAINTAINED BILLINGS		23,001,523	9,761,844	13,239,676	4
5	COST OF ENERGY REVENUES					5
6	SALES FOR RESALE	R10	20,854,774	8,508,499	12,446,275	6
7	RENT FROM ELECTRIC PROPERTY		3,170,821	1,329,904	373,895	7
8	MISCELLANEOUS		3,651,858	1,531,661	1,840,817	8
9	ITA DEFICIENCY PAYMENTS		4,459,926	1,870,580	2,589,346	9
10	LOAD CONTROL AND DISPATCH		20,857	(6,664)	11,846	10
11	RENT FROM ELECTRIC PROPERTY - BIG STONE		-	-	-	11
12	RENT FROM ELECTRIC PROPERTY - COYOTE		-	-	-	12
13	PROFIT ON MATERIALS AND SUPPLIES		34,025	14,271	19,754	13
14	RENT ON MATERIALS AND SUPPLIES		76,895	9,642	67,252	14
15	RUBBER GOODS TESTING					15
16	RUBBER GOODS TESTING					16
17	RESIDENTIAL CONSERVATION SERVICES					17
18	RESIDENTIAL CONSERVATION SERVICES					18
19	TOTAL REVENUES		312,798,544	132,100,679	180,697,865	19
20						20
21	REVENUE LEAD DAYS FROM SERVICE TO COLLECTION					21
22	COMPUTER MAINTAINED BILLINGS		N/A	38.1	N/A	22
23	MANUALLY MAINTAINED BILLINGS		N/A	127.1	N/A	23
24	COST OF ENERGY REVENUES		N/A	127.1	N/A	24
25	SALES FOR RESALE		N/A	25.4	N/A	25
26	RENT FROM ELECTRIC PROPERTY		N/A	-86.4	N/A	26
27	MISCELLANEOUS		N/A	35.0	N/A	27
28	ITA DEFICIENCY PAYMENTS		N/A	53.2	N/A	28
29	LOAD CONTROL AND DISPATCH		N/A	37.8	N/A	29
30	RENT FROM ELECTRIC PROPERTY - BIG STONE		N/A	37.5	N/A	30
31	RENT FROM ELECTRIC PROPERTY - COYOTE		N/A	37.5	N/A	31
32	PROFIT ON MATERIALS AND SUPPLIES		N/A	37.5	N/A	32
33	RENT ON MATERIALS AND SUPPLIES		N/A	37.5	N/A	33
34	RUBBER GOODS TESTING		N/A	37.5	N/A	34
35	RUBBER GOODS TESTING		N/A	37.5	N/A	35
36	RESIDENTIAL CONSERVATION SERVICES		N/A	37.5	N/A	36
37	RESIDENTIAL CONSERVATION SERVICES		N/A	37.5	N/A	37
38	REVENUE DOLLAR DAYS (REVENUES X REVENUE LEAD DAYS)					38
39	COMPUTER MAINTAINED BILLINGS		9,788,097,403	4,145,578,712	5,622,517,692	39
40	MANUALLY MAINTAINED BILLINGS		991,385,628	420,735,489	570,630,139	40
41	COST OF ENERGY REVENUES					41
42	SALES FOR RESALE		592,851,289	216,116,572	318,135,298	42
43	RENT FROM ELECTRIC PROPERTY		(55,641,744)	(23,332,256)	(32,309,488)	43
44	MISCELLANEOUS		110,978,726	46,545,647	64,432,079	44
45	ITA DEFICIENCY PAYMENTS		194,278,846	81,484,346	112,794,500	45
46	LOAD CONTROL AND DISPATCH		16,388,267	-	16,388,267	46
47	RENT FROM ELECTRIC PROPERTY - BIG STONE		(73,097)	(324,869)	(401,966)	47
48	RENT FROM ELECTRIC PROPERTY - COYOTE		443,336	186,312	257,024	48
49	PROFIT ON MATERIALS AND SUPPLIES		1,273,419	535,153	738,266	49
50	RENT ON MATERIALS AND SUPPLIES		2,876,820	361,582	2,515,238	50
51	RUBBER GOODS TESTING					51
52	RUBBER GOODS TESTING					52
53	RESIDENTIAL CONSERVATION SERVICES					53
54	RESIDENTIAL CONSERVATION SERVICES					54
55	TOTAL DOLLAR DAYS		11,711,372,377	4,980,734,476	6,750,637,901	55
56						56
57	AVG REVENUE LEAD DAYS (TOTAL REV DOLLAR DAYS / TOTAL REV)		37.4	37.5	37.4	57
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OTTER TAIL POWER COMPANY GROSS COST OF SERVICES BY CLASS OF SERVICE AND INTERIM YEAR - 2007 ACTUAL WITH KNOWN AND MEASURABLE CHANGES		RUN = INTERIM RATES 10/19/08 11/27/08					PAGE 19 - 1
LINE NO	ITEM	OPERATING EXPENSE	EXPENSE PER DAY AT 365 DAYS PER YEAR	EXPENSE LAG DAYS	EXCESS REVENUE OVER LEAD DAYS OF EXPENSE LAG DAYS	NET REVENUE LAG DOLLARS	LINE NO
1	CASH WORKING CAPITAL CALCULATION BY THE APPLICATION OF LEAD-LAG FACTORS-MINNESOTA JURISDICTION						1
2	FUEL - COAL	26,328,397	72,133	16.0	21.4	1,543,638	2
3	FUEL - OIL	3,755,087	10,233	8.9	28.5	291,644	3
4	PURCHASED POWER	38,447,453	105,335	32.8	4.6	484,543	4
5	LABOR AND ASSOCIATED PAYROLL EXPENSE	30,219,300	82,793	13.9	23.5	1,945,626	5
6	ALL OTHER O&M EXPENSE	22,041,589	60,388	19.4	18.0	1,086,982	6
7	PROPERTY TAXES (EXCL COAL CONVERSION TAXES)	4,177,368	11,445	316.6	-279.2	(3,195,098)	7
8	COAL CONVERSION TAXES	363,733	997	316.6	-279.2	(278,205)	8
9	FEDERAL INCOME TAXES	2,273,670	6,229	43.9	-6.5	(40,490)	9
10	STATE INCOME TAXES	504,218	1,381	20.7	16.7	23,070	10
11	INCREMENTAL FEDERAL INCOME TAXES	-	-	43.9	-6.5	-	11
12	INCREMENTAL STATE INCOME TAXES	-	-	20.7	16.7	-	12
13	BANK BALANCES						13
14	SPECIAL DEPOSITS						14
15	WORKING FUNDS						15
16	TAX COLLECTIONS AVAIL - FICA WITHHOLDING	(2,011,082)	(5,510)	0.0		4,536	16
17	TAX COLLECTIONS AVAIL - FEDERAL WITHHOLDING	(3,430,175)	(9,398)	0.0		380,733	17
18	TAX COLLECTIONS AVAIL - STATE WITHHOLDING - MN	(1,635,219)	(4,480)	1.9		10,943	18
19	TAX COLLECTIONS AVAIL - STATE WITHHOLDING - ND	-	-	61.1		-	19
20	TAX COLLECTIONS AVAILABLE - STATE SALES TAX	(5,813,859)	(15,928)	15.5		(246,890)	20
21	TAX COLLECTIONS AVAILABLE - FRANCHISE TAXES	(72,428)	(1,979)	35.2		(89,670)	21
22	TOTAL CASH WORKING CAPITAL REQUIREMENT - MINNESOTA					1,932,850	22
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OTTER TAIL POWER COMPANY CLASS COST OF SERVICE STUDY INTERIM RATES 2007 - 10 CLASSES INTERIM YEAR - 2007 ACTUAL WITH KNOWN AND MEASURABLE CHANGES		RUN = INTERIM RATES 0 10/18/08 11:27 AM		PAGE 20 - 1			
LINE NO	ITEM	OPERATING EXPENSE	EXPENSE PER DAY AT 365 DAYS PER YEAR	EXPENSE LAG DAYS	EXCESS REVENUE LEAD DAYS OF LEAD DAYS OVER EXPENSE LAG DAYS	NET REVENUE LAG DOLLARS	LINE NO
1	CASH WORKING CAPITAL CALCULATION BY THE APPLICATION OF LEAD/LAG FACTORS-NORTH DAKOTA JURISDICTION						1
2	FUEL - COAL E2	21,792,898	59,707	16.0	21.5	1,283,691	2
3	FUEL - OIL E1	2,920,848	8,002	8.9	28.6	228,866	3
4	PURCHASED POWER	31,723,324	86,913	32.8	4.7	408,492	4
5	LABOR AND ASSOCIATED PAYROLL EXPENSE	24,216,994	66,348	13.9	23.6	1,565,811	5
6	ALL OTHER O&M EXPENSE	18,340,291	50,247	19.4	18.1	909,477	6
7	PROPERTY TAXES (EXCL COAL CONVERSION TAXES)	3,631,232	9,949	316.6	-279.1	(2,776,387)	7
8	COAL CONVERSION TAXES	316,180	866	316.6	-279.1	(241,746)	8
9	FEDERAL INCOME TAXES	4,207,970	11,529	43.9	-6.4	(73,784)	9
10	STATE INCOME TAXES	834,465	2,286	73.0	-35.5	(81,160)	10
11	INCREMENTAL FEDERAL INCOME TAXES	-	-	43.9	-6.4	-	11
12	INCREMENTAL STATE INCOME TAXES	-	-	73.0	-35.5	-	12
13	BANK BALANCES					3,843	13
14	SPECIAL DEPOSITS					330,958	14
15	WORKING FUNDS					9,512	15
16	TAX COLLECTIONS AVAIL - FICA WITHHOLDING	(1,611,631)	(4,415)	0.0		-	16
17	TAX COLLECTIONS AVAIL - FEDERAL WITHHOLDING	(2,748,857)	(7,531)	0.0		-	17
18	TAX COLLECTIONS AVAIL - STATE WITHHOLDING- MN	-	-	1.9		-	18
19	TAX COLLECTIONS AVAIL - STATE WITHHOLDING- ND	(256,507)	(703)	61.1		(42,839)	19
20	TAX COLLECTIONS AVAILABLE - STATE SALES TAX	(2,020)	(6)	26.1		(144)	20
21	TAX COLLECTIONS AVAILABLE - FRANCHISE TAXES	-	-	0.0		-	21
22	TOTAL CASH WORKING CAPITAL REQUIREMENT - NORTH DAKOTA					1,524,590	22
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OTTER TAIL POWER COMPANY CLASS COST OF SERVICE STUDY 2007 Actuals - 2007 Interim Rates Jurisdiction: Cost of Service Study 2007 Interim Rates		RUN = INTERIM RATES 10/18/08 11/27/08					PAGE 21 - 1	
LINE NO	ITEM	OPERATING EXPENSE	EXPENSE PER DAY AT 365 DAYS PER YEAR	EXPENSE LAG DAYS	EXCESS REVENUE OVER LEAD DAYS OF EXPENSE LAG DAYS	NET REVENUE LAG DOLLARS	LINE NO	
1							1	
2	CASH WORKING CAPITAL CALCULATION BY THE APPLICATION OF LEAD-LAG FACTORS - SOUTH DAKOTA JURISDICTION						2	
3	FUEL - COAL	4,965,336	13,604	16.0	21.4	291,118	3	
4	FUEL - OIL	688,871	1,887	8.9	28.5	53,789	4	
5	PURCHASED POWER	7,241,717	19,840	32.8	4.6	91,265	5	
6	LABOR AND ASSOCIATED PAYROLL EXPENSE	5,368,082	14,707	13.9	23.5	345,617	6	
7	ALL OTHER O&M EXPENSE	3,939,686	10,794	19.4	18.0	194,286	7	
8	PROPERTY TAXES (EXCL COAL CONVERSION TAXES)	813,734	2,229	316.6	-279.2	(822,392)	8	
9	COAL CONVERSION TAXES	70,854	194	316.6	-279.2	(84,193)	9	
10	FEDERAL INCOME TAXES	679,537	1,862	43.9	-6.5	(12,101)	10	
11	STATE INCOME TAXES	-	-	0.0	37.4	-	11	
12	INCREMENTAL FEDERAL INCOME TAXES	-	-	43.9	-6.5	-	12	
13	INCREMENTAL STATE INCOME TAXES	-	-	0.0	37.4	-	13	
14	BANK BALANCES					884	14	
15	SPECIAL DEPOSITS					74,165	15	
16	WORKING FUNDS					2,132	16	
17	TAX COLLECTIONS AVAIL - FICA WITHHOLDING					-	17	
18	TAX COLLECTIONS AVAIL - FEDERAL WITHHOLDING					-	18	
19	TAX COLLECTIONS AVAIL - STATE WITHHOLDING - MN					-	19	
20	TAX COLLECTIONS AVAIL - STATE WITHHOLDING - ND					-	20	
21	TAX COLLECTIONS AVAILABLE - STATE SALES TAX					(54,159)	21	
22	TAX COLLECTIONS AVAILABLE - FRANCHISE TAXES					-	22	
23							23	
24							24	
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	TOTAL CASH WORKING CAPITAL REQUIREMENT - SOUTH DAKOTA					310,410		

OTTER TAIL POWER COMPANY
 CLASS COST OF SERVICE STUDY
 2007 Actuals - 2007 Interim Rates
 Jurisdiction: Cost of Service Study
 2007 Interim Rates

LINE NO	ITEM	OPERATING EXPENSE	EXPENSE PER DAY AT 365 DAYS PER YEAR	EXPENSE LAG DAYS	EXCESS REVENUE LEAD DAYS OF OVER EXPENSE LAG DAYS	NET REVENUE LAG DOLLARS	LINE NO
1							1
2	CASH WORKING CAPITAL CALCULATION BY THE APPLICATION OF LEAD LAG FACTORS - FERC JURISDICTION						2
3	FUEL - COAL	43,485	119	16.0	17.5	2,085	3
4	FUEL - OIL	6,773	19	8.9	24.6	456	4
5	PURCHASED POWER	63,858	175	32.8	0.7	122	5
6	LABOR AND ASSOCIATED PAYROLL EXPENSE	285,983	784	13.9	19.6	15,357	6
7	ALL OTHER O&M EXPENSE	186,388	511	19.4	14.1	7,199	7
8	PROPERTY TAXES (EXCL COAL CONVERSION TAXES)	35,422	97	316.6	-283.1	(27,471)	8
9	COAL CONVERSION TAXES	3,084	8	316.6	-283.1	(2,392)	9
10	FEDERAL INCOME TAXES	(15,879)	(44)	43.9	-10.4	452	10
11	STATE INCOME TAXES	(5,459)	(15)	43.9	-10.4	156	11
12	INCREMENTAL FEDERAL INCOME TAXES	-	-	43.9	-10.4	-	12
13	INCREMENTAL STATE INCOME TAXES	-	-	43.9	-10.4	-	13
14	BANK BALANCES						14
15	SPECIAL DEPOSITS						15
16	WORKING FUNDS						16
17	TAX COLLECTIONS AVAIL - FICA WITHHOLDING						17
18	TAX COLLECTIONS AVAIL - FEDERAL WITHHOLDING						18
19	TAX COLLECTIONS AVAIL - STATE WITHHOLDING - MN						19
20	TAX COLLECTIONS AVAIL - STATE WITHHOLDING - ND						20
21	TAX COLLECTIONS AVAILABLE - STATE SALES TAX						21
22	TAX COLLECTIONS AVAILABLE - FRANCHISE TAXES						22
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RUN = INTERIM RATES
 10/18/08
 11/27/08

PAGE 22 - 1

LINE NO		ITEM	OPERATING EXPENSE	EXPENSE PER DAY AT 365 DAYS PER YEAR	EXPENSE LAG DAYS	EXCESS REVENUE LEAD DAYS OF LEAD DAYS OVER EXPENSE LAG DAYS	RUN = INTERIM RATES 10/18/08 11:27 AM	PAGE 23 - 1
1		CASH WORKING CAPITAL CALCULATION BY THE APPLICATION OF LEADLAG FACTORS - TOTAL CO.						
2		FUEL - COAL	E2					
3		FUEL - OIL	E1					
4		PURCHASED POWER						
5		LABOR AND ASSOCIATED PAYROLL EXPENSE	LRE					
6		ALL OTHER O&M EXPENSE						
7		PROPERTY TAXES (EXCL COAL CONVERSION TAXES)						
8		COAL CONVERSION TAXES						
9		FEDERAL INCOME TAXES						
10		STATE INCOME TAXES						
11		INCREMENTAL FEDERAL INCOME TAXES						
12		INCREMENTAL STATE INCOME TAXES						
13		BANK BALANCES	NEPIS					
14		SPECIAL DEPOSITS	NEPIS					
15		WORKING FUNDS	NEPIS					
16		TAX COLLECTIONS AVAIL - FICA WITHHOLDING	LRE					
17		TAX COLLECTIONS AVAIL - FEDERAL WITHHOLDING	LRE					
18		TAX COLLECTIONS AVAIL - STATE WITHHOLDING - MN	R10					
19		TAX COLLECTIONS AVAIL - STATE WITHHOLDING - ND	R10					
20		TAX COLLECTIONS AVAILABLE - STATE SALES TAX	R10					
21		TAX COLLECTIONS AVAILABLE - FRANCHISE TAXES	R10					
22		TOTAL CASH WORKING CAPITAL REQUIREMENT - TOTAL COMPANY						
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LINE NO	NET REVENUE LAG DOLLARS
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Otter Tail Corporation d/b/a OTTER TAIL POWER COMPANY
Electric Utility - State of North Dakota
Summary of Increase in Revenues by Rate Class - Interim Rate Petition
2007 Test Year

Case No. PU-08____
Exhibit ____ (Interim Rate Petition)
Financial Information
Schedule 7

<u>Rate Schedule</u>	<u>kWh Sales</u>		<u>Operating Revenue</u>		<u>Percent Change</u>
	<u>Present 2007</u>	<u>Present 2007</u>	<u>Interim</u>	<u>Increase</u>	
Residential Service	363,213,626	\$31,114,448	\$32,379,591	\$1,265,143	4.07%
Residential Demand Control	94,191,264	\$5,540,781	\$5,766,074	\$225,293	4.07%
Farm Service	22,040,877	\$1,514,276	\$1,575,848	\$61,572	4.07%
General Service < 20 kW	78,591,827	\$7,924,082	\$8,246,283	\$322,201	4.07%
Commercial Demand Control < 20 kW	290,406,932	\$22,645,691	\$23,566,486	\$920,795	4.07%
Electric Climate Control <20 kW	267,633	\$19,944	\$20,755	\$811	4.07%
General Service >= 20 kW	4,047,528	\$274,605	\$285,771	\$11,166	4.07%
Commercial Demand Control >= 20 kW	3,393,999	\$276,277	\$287,511	\$11,234	4.07%
Electric Climate Control >= 20 kW	42,205,024	\$2,871,550	\$2,988,310	\$116,760	4.07%
Commercial Time of Use	0	\$0	\$0	\$0	0.00%
Large General Service	555,745,451	\$32,622,009	\$33,948,451	\$1,326,442	4.07%
Large General Service Time of Day	0	\$0	\$0	\$0	0.00%
Real Time Pricing	58,538,439	\$2,962,153	\$3,082,597	\$120,444	4.07%
Large General Service Rider	0	\$0	\$0	\$0	0.00%
Large General Service Off-Peak Rider	9,906,458	\$647,626	\$673,959	\$26,333	4.07%
Standby Service	121,000	\$21,570	\$22,447	\$877	4.07%
Irrigation Services (option 1)	286,564	\$23,147	\$24,088	\$941	4.07%
Irrigation Services (option 2)	370,817	\$22,816	\$23,744	\$928	4.07%
Outdoor Lighting - Energy Only	1,750,137	\$107,921	\$112,309	\$4,388	4.07%
Outdoor Lighting	21,242,916	\$1,987,748	\$2,068,572	\$80,824	4.07%
Municipal Pumping Service	16,990,520	\$963,915	\$1,003,109	\$39,194	4.07%
Civil Defense - Fire Sirens	0	\$3,655	\$3,804	\$149	4.07%
Water Heating, Controlled	19,762,890	\$1,185,332	\$1,233,529	\$48,197	4.07%
Interruptible Load CT Metering	66,186,502	\$1,570,422	\$1,634,277	\$63,855	4.07%
Interruptible Load Self Contained Metering	97,137,681	\$3,152,409	\$3,280,589	\$128,180	4.07%
Deferred Load Controlled Service	14,986,587	\$731,923	\$761,684	\$29,761	4.07%
Fix Time of Delivery Service	4,571,746	\$124,877	\$129,955	\$5,078	4.07%
Small Power Producer Rider		\$0	\$0	\$0	0.00%
Total	1,765,956,418	\$118,309,177	\$123,119,739	\$4,810,562	4.07%

Otter Tail Corporation d/b/a OTTER TAIL POWER COMPANY
Electric Utility - State of North Dakota
Calculation of Base Cost of Energy for North Dakota
2007 Test Year

Case No. PU-08____
Exhibit ____ (Interim Rate Petition)
Financial Information
Schedule 8
Page 1 of 3

Line No.	Decription	Total 2007
1	Purchased Power	\$51,249,807
2	Steam Plant Generation	54,245,536
3	Other Plant Generation	6,236,150
4	Hydro Plant Generation	0
5	Coyote Coal Conv. Tax	305,034
6	Less: Intersystem Sales	(35,236,972)
7	Net Retail MISO Day 2	44,918,730
8	NET ENERGY COSTS	<u>\$121,718,285</u>
9	Adjustment for Big Stone Outage	7,596,764
10	MISO 16 & 17 collected but moved to non-fuel	332,649
11	MISO 16 & 17 refund included in MISO DAY 2 above	<u>(1,408,370)</u>
12	Total Adjusted fuel, purchases and MISO Day 2 costs	<u><u>\$115,197,242</u></u>

ASSOCIATED ENERGY -- KWH

14	Net Generation - Steam	3,298,499,280
15	Other Plant IC Generation	59,253,088
16	Hydro Plant Generation	20,370,543
17	Wind	167,205
18	Purchased Power	<u>3,276,215,899</u>
19	Total Energy	6,654,506,015
20	Less Intersystem Sales	(3,174,857,818)
21	Net Retail MISO Day 2	<u>750,656,333</u>
22	Net Energy - KWHs	<u>4,230,304,530</u>
23	Energy reduced for 12% losses*	<u><u>3,722,667,986</u></u>
24	Base Cost of Energy (line 12/line 23)	<u><u>\$0.030945</u></u>
25	Old Cost of Energy	<u>\$0.016473</u>
26	Change in Cost of Energy	\$0.014472

* Loss factor is the same as previous base cost of energy and is used in the monthly cost of energy adjustment calculations

Otter Tail Corporation d/b/a
OTTER TAIL POWER COMPANY
Fergus Falls, Minnesota
ELECTRIC RATE SCHEDULE

Volume I, Sheet 98

Rate Designation M-60N, Page 1 of 1
Thirteenth Revision

COST OF ENERGY ADJUSTMENT CLAUSE

There shall be added to or deducted from the monthly bill the amount per kilowatthour (rounded to the nearest 0.001¢) that the average cost of energy is above or below 3.0945¢ per kilowatthour. The average cost of energy per kilowatthour for the current period shall be calculated from data covering actual costs from the most recent four month period as follows: R

Energy costs from actual months 1, 2, 3, and 4 plus unrecovered (or less over recovered) prior cumulative energy costs divided by the associated energy (reduced for average system losses) associated with retail sales for actual months 1, 2, 3, and 4 equals the cost of energy adjustment for month 6.

The applicable adjustment will be applied effective on any billing dated on or after the first day of each calendar month. The average cost of energy shall be determined as follows:

1. The cost of fossil fuel, as recorded in Account 151, used in the Company's generating plants. Energy from the Company's hydro generating plants shall be included at zero cost.
2. The energy cost of purchased power included in Account 555 when such energy is purchased on an economic dispatch basis, exclusive of capacity or demand charges. This includes but is not limited to net costs linked to the utility's load serving obligation, associated with participation in wholesale electric energy markets operated by Regional Transmission Organizations, Independent System Operators or similar entities that have received Federal Energy Regulatory Commission approval to operate the energy markets.
3. The actual identifiable fossil and nuclear fuel costs associated with energy purchased for reasons other than identified in 2 above.
4. Less the fuel related costs recovered through intersystem sales.

NORTH DAKOTA PUBLIC
SERVICE COMMISSION
Approved: (Date)
Case No. PU-08-____

RATES EFFECTIVE with bills rendered
on and after January 2, 2009, in ND

APPROVED: Bernadeen Brutlag
Manager, Regulatory Services

Otter Tail Corporation d/b/a
OTTER TAIL POWER COMPANY
Fergus Falls, Minnesota
ELECTRIC RATE SCHEDULE

Volume I, Sheet 98

Rate Designation M-60N, Page 1 of 1
~~Eleventh~~ Thirteenth Revision

COST OF ENERGY ADJUSTMENT CLAUSE

There shall be added to or deducted from the monthly bill the amount per kilowatthour (rounded to the nearest 0.001¢) that the average cost of energy is above or below 3.09451-6473¢ per kilowatthour. The average cost of energy per kilowatthour for the current period shall be calculated from data covering actual costs from the most recent four month period as follows: R

Energy costs from actual months 1, 2, 3, and 4 plus unrecovered (or less over recovered) prior cumulative energy costs divided by the associated energy (reduced for average system losses) associated with retail sales for actual months 1, 2, 3, and 4 equals the cost of energy adjustment for month 6.

The applicable adjustment will be applied effective on any billing dated on or after the first day of each calendar month. The average cost of energy shall be determined as follows:

1. The cost of fossil fuel, as recorded in Account 151, used in the Company's generating plants. Energy from the Company's hydro generating plants shall be included at zero cost.
2. The energy cost of purchased power included in Account 555 when such energy is purchased on an economic dispatch basis, exclusive of capacity or demand charges. This includes but is not limited to net costs linked to the utility's load serving obligation, associated with participation in wholesale electric energy markets operated by Regional Transmission Organizations, Independent System Operators or similar entities that have received Federal Energy Regulatory Commission approval to operate the energy markets.
3. The actual identifiable fossil and nuclear fuel costs associated with energy purchased for reasons other than identified in 2 above.
4. Less the fuel related costs recovered through intersystem sales.

NORTH DAKOTA PUBLIC
SERVICE COMMISSION
in ND
Approved: July 13, 2005 (Date)
Case No. PU-05-13108-_____

RATES EFFECTIVE with bills rendered
on and after ~~August 1, 2005~~ January 2, 2009,

APPROVED: Bernadeen Brutlag
Manager, Regulatory Services

NEW NORTH DAKOTA RATES BEGIN WITH THIS ELECTRIC SERVICE STATEMENT (EFFECTIVE December 3, 2008)

On November 3, 2008, Otter Tail Power Company submitted an application with the North Dakota Public Service Commission (PSC) for permission to increase its electric rates by approximately \$6.08 million, or 5.14 percent overall. That does not mean that all customers will see a 5.14 percent increase. Some will see less and some will see more based on their electric service rate and the amount of electricity they use.

Why is Otter Tail Power Company increasing its rates at this time?

Otter Tail Power Company’s last request for a rate increase in North Dakota was in 1982. We are requesting this revenue increase to recover rising costs and to meet the growing demand for electricity as we serve customers as reliably, economically, and environmentally responsibly as possible.

In addition, Otter Tail Power Company proposed changes to customer charges and numerous changes to rates and tariffs. This includes the elimination of declining block rate differentials. Customers on declining block rates pay less per kilowatt-hour as they step to higher levels (higher blocks) of electric use. The elimination of these rates better reflects the cost of providing service and is consistent with the goals of conserving energy.

The overall average increase for the residential customer class is 7.50 percent. The residential monthly service charge will increase from \$4.74 to \$8.00. The following table shows the changes in the average monthly electricity costs for each customer class. The degree of change for individual customers will vary based on their electric service rate and the amount of electricity they use.

Average Monthly Electricity Costs

Customer Classification	Monthly Kilowatt-hour Usage	Previous Monthly Cost	Proposed Increase in Monthly Cost
Residential	836	\$66.80	\$5.01
Farms	1,864	\$125	\$9.36
General Service	2,946	\$239	\$2.26
Large General Service	270,199	\$16,030	\$160.30
Irrigation	1,528	\$110	\$11.00
Outdoor Lighting	195	\$17	\$4.22
Other Public Authority	2,338	\$133	\$18.57
Controlled Service Water Heating	216	\$13	\$1.29
Controlled Service Interruptible	2,293	\$67	\$23.43
Controlled Service Deferred	2,210	\$95	\$10.43

For more information

If you would like more information about electric prices for other customer rate classes, please visit www.otpc.com or visit your local Customer Service Center or call 800-257-4044.

You may contact the North Dakota Public Service Commission at:

North Dakota Public Service Commission

600 E. Boulevard, Dept. 408

Bismarck, ND 58505-0480

Phone: 701.328.2400

TTY: 800.366.6888

Email: ndpsc@nd.gov

Proposed change in North Dakota Electricity Rates

On November 3, 2008, Otter Tail Power Company submitted an application to the North Dakota Public Service Commission (PSC) to increase its retail electric rates. This application is the first such filing in over 25 years. Under the proposal, the company's annual revenues would increase by about \$6.08 million or 5.14 percent. The increase for a typical residential customer using 836 kilowatt-hours would be \$5.01 a month.

Why is Otter Tail Power Company asking for an increase at this time?

Otter Tail Power Company's last request for a rate increase in North Dakota was in 1982. We are requesting this revenue increase to recover rising costs and to meet the growing demand for electricity as we serve customers as reliably, economically, and environmentally responsibly as possible.

INTERIM RATES

While the PSC considers Otter Tail Power Company's request, state law allows the company to implement an interim rate increase from January 2, 2009 until final rates go into effect later this year. This increase of \$4.8 million, or approximately 4.07 percent, appears on your bill as an "Interim Rate Adj", which applies to the customer charge, energy charge, demand charge, facilities charge, fixed charge, and the monthly minimum charge. If final rates are lower than interim rates, we will refund customers the difference with interest. If final rates are higher than interim rates, we will not charge customers the difference.

The following table shows the interim and proposed final changes in the average monthly electricity costs for each customer class. The degree of change will vary for each customer based on the rate applicable to the customer and the electricity use. This table is based on proposed rates only.

Average Monthly Electricity Costs

Customer Classification	Monthly Kilowatt-hour Usage	Previous Monthly Cost	Approved Interim Change in Monthly Cost	Proposed Final Change in Monthly Cost
Residential	836	\$66.80	\$2.72	\$5.01
Farms	1,864	\$125	\$5.08	\$9.36
General Service	2,946	\$239	\$9.73	\$2.26
Large General Service	270,199	\$16,030	\$652.44	\$160.30
Irrigation	1,528	\$110	\$4.48	\$11.00
Outdoor Lighting	195	\$17	\$0.69	\$4.22
Other Public Authority	2,338	\$133	\$5.40	\$18.57
Controlled Service Water Heating	216	\$13	\$0.52	\$1.29
Controlled Service Interruptible	2,293	\$67	\$2.72	\$23.43
Controlled Service Deferred	2,210	\$95	\$3.86	\$10.43

PUBLIC INPUT SESSION

The Public Service Commission has scheduled a public input session via videoconference on MONTH DAY at TIME. You will have an opportunity to provide the PSC your comments or ask questions about Otter Tail Power Company's proposal. You can participate at these locations:

Insert locations

Commission hearing:

A formal hearing on this electric rate increase filing is scheduled for MONTH DAY-DAY at:
North Dakota Public Service Commission
Commission Hearing Room
600 East Boulevard Ave.
Bismarck

For more information

You may visit Otter Tail Power Company's Customer Service Centers between 8 A.M. and 5 P.M. Monday through Friday to examine the current and proposed rate schedules. Our offices are at:

524 Fifth Avenue South, Devils Lake
171 North Main, Garrison
315 Second Street SE, Jamestown
103 South Fifth, Oakes
226 South Main, Rugby
2111 Fifteenth Street North, Wahpeton
Phone: 800-257-4044
Web: www.otpco.com/ElectricRates

You may contact the North Dakota Public Service Commission at:

North Dakota Public Service Commission
600 E. Boulevard, Dept. 408
Bismarck, ND 58505-0480
Phone: 701.328.2400
TTY: 800.366.6888
Email: ndpsc@nd.gov

Volume 1

Interim Tariffs

Volume 1

Interim Tariffs
Nonlegislative

RESIDENTIAL SERVICE

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APPLICATION OF SCHEDULE: This schedule is applicable for single phase service through one meter for lighting, incidental uses of appliances for heating, cooking, refrigeration, air conditioning and incidental domestic power, provided that no motor with a rated capacity in excess of 5 hp shall be served on this rate. Water heating may be served under this rate. This schedule is also applicable for space heating; if more than one-half of the customer's residence is heated by electricity, the customer shall comply with the Electric Home provisions of this rate. This schedule is applicable for service to single family dwellings and individually metered dwelling units in apartments, condominiums, town houses or mobile homes.

RATE: Customer Charge Zone 1 \$4.74 or
 Zone 9 \$5.65 plus
 First 1000 kWh used per month - 6.977¢ per kWh
 Next 1000 kWh used per month - 5.474¢ per kWh
 Excess kWh used per month - 4.675¢ per kWh

CHANGE IN BASE COST OF ENERGY: N
 There shall be an adder of 1.447 cents per kWh to each energy charge in this rate schedule. N

INTERIM RATE ADJUSTMENTS: N
 A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, N
 Energy Charge (after the increase of 1.447 cents per kWh), Demand Charge, Fixed Charge, and the N
 monthly Minimum Charge. N

MONTHLY MINIMUM CHARGE: Customer Charge Zone 1 \$4.74 or
 Zone 9 \$5.65

NORTH DAKOTA PUBLIC
 SERVICE COMMISSION
 Approved: (DATE)
 Case No. PU-08-

RATES EFFECTIVE with bills rendered
 on and after January 2, 2009, in ND

 APPROVED: Bernadeen Brutlag
 Manager, Regulatory Services

WATER HEATING CREDIT: A \$2.00 credit per month shall be applied to all bills having direct control water heating.

COST OF ENERGY ADJUSTMENT: The energy charges under this schedule are subject to a Cost of Energy Adjustment as provided for in Rate M-60N, or any amendments or superseding provisions applicable thereto.

PAYMENT: Refer to Payment Policy Rate Schedule, Rate Designation M-62N, superseding amendments, or provisions allowed by law.

CONTRACT PERIOD: One year, except that service can be discontinued for a period of 30 days or more at any time upon 10 days' written notice being given by the customer to the Company.

REGULATIONS: General Rules and Regulations govern use under this schedule.

ADJUSTMENT FOR MUNICIPAL PAYMENTS: Bills under this rate schedule may be subject to adjustment for certain payments to municipalities as provided in the General Rules and Regulations.

As a requirement before this rate will be applied, the following conditions must be complied with:

Electric Home

1. The house must be adequately insulated and equipped with storm windows, storm doors, weather stripping where required or with devices of equal efficiency to insure that the heat loss from the house shall be kept at an economical minimum.
2. The Company reserves the right to reduce voltage and/or control the demand of space heating units for a reasonable period during the time of the Company's peak load.
3. Authorized employees of the Company shall be allowed full access to the plans and specifications for the house and allowed full opportunity to inspect the house and the heating and control installation.

The Company may require that a control system capable of automatically limiting the demand of water heaters and space heaters be installed. The control system shall be of a design acceptable to the Company.

RATE ZONE 9

**ADDITIONAL RATES, RULES AND REGULATIONS FOR SEASONAL AND
LAKE COTTAGE SERVICE AND RESIDENTIAL SERVICE IN RURAL AREAS**

1. These rates and regulations shall apply to seasonal and lake cottage service and to rural residential service only. Resorts, stores, farms and other commercial establishments will be billed at the rates provided for such classes of service.

2. Rate to year-around customers: Residential Service - Rural.

3. Seasonal customers will be billed at the same rate as year-around customers, except as follows:

A fixed charge of \$4.74 will be billed each seasonal customer in addition to the rate provided above. The fixed charge will be included in the first bill rendered for each season.

Each customer will be billed for the number of months each season that his residence or cottage is in use, but not less than a minimum of four months, plus the seasonal fixed charge. The Company will normally read meters and render a bill during the months of June, July, August and September. At the option of the Company, meters may be read at other times during the year and a bill will be rendered if energy recorded on the meter exceeds 100 kilowatthours.

Billing may be rendered on a two-month basis at the option of the Company; when the energy used exceeds 100 kilowatthours and more than 55 days have elapsed since the previous meter reading, the bill will be rendered on a two-month basis.

Seasonal customers will also be subject to a connection charge as provided in paragraphs 10 and 10(a).

4. The customer shall read the meter and report the reading to the Company within five days after receipt of the meter reading card when requested to do so by the Company.

5. The customer may be required to make a deposit to insure payment of bills when due. This deposit will be returned when service is disconnected, provided all obligations of the customer to the Company have been discharged, or it will be applied to the liquidation of the account.

6. The customer shall grant the right of free access to the customer's premises at all reasonable times for the purpose of reading meters or inspecting any of the electrical equipment by any of the

Company's authorized employees.

7. Service will be 120/240 volts, single phase, 60-cycle, alternating current.
8. All installations must conform to the rules and specifications of the Company and be approved by its inspector before service is allowed.
9. Off-peak water heating will be billed at the rate applicable to off-peak water heating in rural areas. All installations must conform exactly to the Company's rules and regulations, and specifications.
10. Where new service is applied for, it will be supplied in accordance with and within the limitations of the applicable policy of the Company. If a connection charge has been established for a certain beach, or certain area, a new customer applying for service in such area must pay such connection charge before receiving service, in addition to the charges specified in any rate schedule at which he is served.
 - 10(a). The connection charge for a seasonal cottage connection shall be \$40.00.
11. If farming operations are carried on, then the customer must be classed as a farm and the farm rate, or other applicable rate, be charged. Raising a garden for the customer's own use shall not be classed as farming, but any ordinary farming operations, on a commercial scale, from which the customer derives income, shall be classed as farming.

**RESIDENTIAL SERVICE
(Controlled Demand)**

Rate Zones 1 & 9 Code 44-241

APPLICATION OF SCHEDULE: This schedule is applicable to residential or farm service customers with approved demand control systems. This schedule is applicable for single phase service through one meter for lighting, incidental uses of appliances for heating, cooking, refrigeration, air conditioning and incidental domestic power. Water heating may be served under this rate. This schedule is also applicable for space heating; the customer shall comply with the Electric Home provisions of this rate if electric heat is used.

RATE: Customer Charge - \$9.38

Demand: Winter, November - April - \$7.32 per kW of billing demand.

Summer, May - October - \$3.69 per kW of billing demand.

Energy: All kWh used per month - 2.909¢ per kWh

CHANGE IN BASE COST OF ENERGY:

There shall be an adder of 1.447 cents per kWh to each energy charge in this rate schedule.

N
N

INTERIM RATE ADJUSTMENTS:

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, Energy Charge (after the increase of 1.447 cents per kWh), Demand Charge, Fixed Charge, and the monthly Minimum Charge.

N
N
N
N

MONTHLY MINIMUM CHARGE: Customer Charge - \$9.38

BILLING DEMAND DETERMINATION: The demand will be determined based on the peak 1 hour demand reading during the winter controlled period for the most recent 12 months. An estimated demand will be used for new customers until the actual controlled demand is established.

CONTROL CRITERIA: Service will be delivered without control for a minimum of 10 hours during any 24-hour period. Controlled periods will typically occur during the day Monday through Saturday when temperatures are below zero. Water heaters may also be controlled during the summer period.

COST OF ENERGY ADJUSTMENT: The energy charges under this schedule are subject to a Cost of Energy Adjustment as provided for in Rate M-60N, or any amendments or superseding provisions applicable thereto.

PAYMENT: Refer to Payment Policy Rate Schedule, Rate Designation M-62N, superseding amendments, or provisions allowed by law.

CONTRACT PERIOD: Not less than one year, unless otherwise authorized by Otter Tail Power Company.

REGULATIONS: General Rules and Regulations govern use under this schedule.

ADJUSTMENT FOR MUNICIPAL PAYMENTS: Bills under this rate schedule may be subject to adjustment for certain payments to municipalities as provided in the General Rules and Regulations.

As a requirement before this rate will be applied, the following conditions must be complied with if electric heat is used:

1. The house must be adequately insulated and equipped with storm windows, storm doors, weather stripping where required or with devices of equal efficiency to insure that the heat loss from the house shall be kept at an economical minimum.
2. The Company reserves the right to reduce voltage and/or control the demand of space heating units for a reasonable period during the time of the Company's peak load.
3. Authorized employees of the Company shall be allowed full access to the plans and specifications for the house and allowed full opportunity to inspect the house and the heating and control installation.

The Company may require that a control system capable of automatically limiting the demand of water heaters and space heaters be installed. The control system shall be of a design acceptable to the Company or one which is compatible with Otter Tail's radio load control system.

WATER HEATING (OFF-PEAK)

Rate Zones 1 & 9 Code 44-191

APPLICATION OF SCHEDULE: This schedule is applicable for service for residential or commercial purposes under the following limitations:

1. The tank and control equipment shall be suitable for the service and acceptable to the Company.
2. The tank is to have well-insulated covering.
3. Heating elements to be controlled by the Company's load control equipment.
4. Heating elements will be controlled so that energy will be supplied during periods deemed advisable by the Company, and hours of operation may be a minimum of 10 hours during any 24-hour period.

RATE: Customer Charge \$1.34 plus
All kWh used per month - 4.015¢ per kWh

CHANGE IN BASE COST OF ENERGY:

There shall be an adder of 1.447 cents per kWh to each energy charge in this rate schedule.

N
N

INTERIM RATE ADJUSTMENTS:

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, Energy Charge (after the increase of 1.447 cents per kWh), Demand Charge, Fixed Charge, and the monthly Minimum Charge.

N
N
N
N

MONTHLY MINIMUM CHARGE: Customer Charge \$1.34

COST OF ENERGY ADJUSTMENT: The energy charges under this schedule are subject to a Cost of Energy Adjustment as provided for in Rate M-60N, or any amendments or superseding provisions applicable thereto.

PAYMENT: Refer to Payment Policy Rate Schedule, Rate Designation M-62N, superseding amendments, or provisions allowed by law.

CONTRACT PERIOD: One year. Service may, however, be discontinued at the customer's

written request for a period of 30 days or longer.

REGULATIONS: General Rules and Regulations govern use under this schedule.

ADJUSTMENT FOR MUNICIPAL PAYMENTS: Bills under this rate schedule may be subject to adjustment for certain payments to municipalities as provided in the General Rules and Regulations.

ADDITIONAL REGULATIONS APPLYING TO WATER HEATING (OFF-PEAK)

1. Water heaters of less than 40 gallons capacity will not be served on this rate.
2. Any water heater installation with heating elements which can be energized to total over 5,500 watts at any one time requires authorization by the Company's division manager before connection to our lines.
3. The total wattage under this controlled service may be divided between an upper and a lower element, in which event both elements shall be connected to the controlled service circuit. Each element shall be controlled by a thermostat located closely adjacent to the element it controls.
4. Heating elements connected to the controlled service circuit may be used only during the hours as controlled by the Company under the provisions of this rate schedule.
5. Electrical circuits connected to the controlled service elements must be permanently wired in accordance with the Company's specifications.

FARM SERVICE

Rate Zone 9

				With Direct Control Water Heating
Total Use	- One Meter		44-361	44-371
Option I	- Two Meters	-- Home Use	44-241	
		-- Farm Use	44-361	
Option II	- Two Meters	-- Electric Home	44-209	44-219
		-- Farm Use	44-701	

AVAILABILITY: Available for single phase service to farm customers for general farm and home uses, including lighting, incidental appliances, refrigeration, cooking and power for motors.

RATE: Customer Charge \$7.51 plus
 First 150 kWh used per month - 7.647¢ per kWh
 Next 1450 kWh used per month - 5.762¢ per kWh
 Excess kWh used per month - 4.675¢ per kWh

CHANGE IN BASE COST OF ENERGY:

There shall be an adder of 1.447 cents per kWh to each energy charge in this rate schedule.

N
N

INTERIM RATE ADJUSTMENTS:

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, Energy Charge (after the increase of 1.447 cents per kWh), Demand Charge, Fixed Charge, and the monthly Minimum Charge.

N
N
N
N

OPTION I RATES: The electricity used in the farm home, for residential uses, will be billed at the Residential Controlled Demand Rate, if an approved controlled demand system is installed and all other rules and requirements specified for in that rate are satisfied, and the electricity used for "farm purposes" will be billed at farm rate 361, provided the customer gives notice to this effect and installs (at the customer's expense) the proper wiring necessary for separate metering of the farm home and the "farm uses."

OPTION II RATES: (Closed to new customers.) The electricity used in the farm home for total space heating and other residential uses will be billed at the Residential Rate, Zone 9, and the electricity used for "farm purposes" will be billed at 4.675¢ per kWh, provided the customer gives notice to this effect in his application and provided he separates the wiring, at his expense, to provide for separate metering of the farm home and the "farm uses."

WATER HEATING CREDIT: A \$2.00 credit per month shall be applied to all bills that have direct control water heating.

MONTHLY MINIMUM CHARGE: \$7.51 net in all cases where a single customer requires transformer capacity no greater than 25 kva. When more than 25 kva of transformer capacity is required, the above

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APPROVED: Bernadeen Brutlag
 Manager, Regulatory Services

minimum monthly charges shall be increased at the rate of 71.797¢ for each additional kva or fraction thereof.

COST OF ENERGY ADJUSTMENT: The energy charges under this schedule are subject to a Cost of Energy Adjustment as provided for in Rate M-60N, or any amendments or superseding provisions applicable thereto.

PAYMENT: Refer to Payment Policy Rate Schedule, Rate Designation M-62N, superseding amendments, or provisions allowed by law.

REGULATIONS: General Rules and Regulations govern use under this schedule.

ADJUSTMENT FOR MUNICIPAL PAYMENTS: Bills under this rate schedule may be subject to adjustment for certain payments to municipalities as provided in the General Rules and Regulations.

ADDITIONAL RULES AND REGULATIONS FOR RURAL ELECTRIC SERVICE

1. Service will be 120/240 volt, single phase, 60-cycle, alternating current.
2. The Company will not connect a customer for electric service until the customer has obtained all necessary permits from the proper authorities. Service may be denied to any customer for failure to comply with the applicable requirements of these rules, or with the service regulations of the Company on file with any regulatory body having jurisdiction.
3. Customers located in rural areas shall, upon request of the Company, report the reading of his meter monthly on forms provided by the Company. The Company will verify such readings by having one of its employees read such meters at intervals of approximately 12 months.
4. The Company shall have the right to transmit electric energy over any and all extensions of lines owned by customers to be delivered to other customers who shall apply for service to be furnished either by connecting with any such existing extensions of lines or by erecting and installing a new extension of lines to connect with any such existing extension, providing that such service to any such other customer shall not interfere with the service to customers owning any such existing extensions of lines, and if it will so interfere the Company will provide and install the necessary equipment to prevent such interference, title to which additional equipment shall vest in the owners of such existing extension of lines.

REGULATIONS APPLYING TO WATER HEATING

5. Electric water heaters served at this rate shall be of a design satisfactory to the Company. Wattage of elements in use at any one time shall not exceed 5,500 watts per water heater. The Company reserves the right to limit use of the heating element during time of Company's peak load.
6. The Company has provided recommendations and regulations governing the installation of electric water heaters. These regulations should be followed in order to provide the most effective and efficient use of the service.

GENERAL SERVICE

		With Direct Control <u>Water Heating</u>
Rate Zone 1	44-401	44-451
Rate Zone 9	44-409	44-459

APPLICATION OF SCHEDULE: This schedule is applicable for 120/240-volt single and 240-volt three-phase (3 or 4-wire) electric service supplied through one meter. Three-phase service to customers located in rural areas will be supplied by contract in accordance with Otter Tail's regular policy. Service will be supplied at other available distribution voltages only upon approval by Otter Tail. This rate is not applicable for emergency, supplementary or standby service, nor for energy for resale, nor for municipal streetlighting.

All equipment to be served must be of such voltage and electrical characteristics that it can be served from the circuit provided for the main part of the load and the electricity used properly measured by the meter ordinarily installed on such a circuit. If the equipment to be served is such that this is impossible, the customer must provide any necessary transformers, auto transformers or other devices suitable for connection to the circuit provided by the Company.

Intermittent and highly fluctuating loads requiring a separate service line or separate transformer may be served through a separate meter, on this rate, with a separate billing.

RATE: Customer Charge Zone 1 \$6.65 or
 Zone 9 \$7.95 plus
 First 1000 kWh used per month - 9.153¢ per kWh
 Next 1000 kWh used per month - 8.054¢ per kWh
 Excess kWh used per month - 6.589¢ per kWh

Except all kWh in excess of 200 kWh
 per month per kW of billing demand - 4.928¢ per kWh

CHANGE IN BASE COST OF ENERGY:

There shall be an adder of 1.447 cents per kWh to each energy charge in this rate schedule.

N
 N

INTERIM RATE ADJUSTMENTS:

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, Energy Charge (after the increase of 1.447 cents per kWh), Demand Charge, Fixed Charge, and the monthly Minimum Charge.

N
 N
 N
 N

DISCOUNT AVAILABLE:

PRIMARY METERING -- Metering may be at primary voltage (available line voltage but not less than 2,400 volts) at the option of Otter Tail. In this event, a discount of 2% will be allowed to compensate customer for transformer losses, etc.

PRIMARY SERVICE -- 3% if transformers, associated equipment and necessary supporting structures, and other distributing facilities between the transformers and the load are supplied by the customer but metering is at secondary voltage.

PRIMARY METERING & PRIMARY SERVICE -- 5% if service is metered at primary voltage and customer supplies transformers, associated equipment and necessary supporting structures, and distributing facilities.

WATER HEATING CREDIT: A \$2.00 credit per month shall be applied to all bills that have direct control water heating.

MONTHLY MINIMUM CHARGE - Rate Zone 1 (Urban) Service Area:

\$6.65 for lighting, motors individually rated at less than one horsepower, ordinary appliances and domestic-type ranges, plus:

57.438¢ per kva for the first 20 kva of all other connected load.

28.719¢ per kva for any additional kva of other connected load.

Connected Load -- shall be the rated maximum kva operating input to each unit of equipment as determined from the nameplate. Connected load of motors shall be assumed as one kva per horsepower of nameplate rating. If a nameplate does not contain sufficient data to determine the rating, the connected load may be determined by test under maximum operating conditions.

Equipment not counted in determining connected load -- lighting, 120-volt appliances individually rated at 15 amperes or less, motors individually rated at less than one horsepower, and domestic-type ranges.

MONTHLY MINIMUM CHARGE: Rate Zone 9 - Rural Areas \$7.95 in all cases where a single customer requires transformer capacity no greater than 10 kva. When more than 10 kva of transformer capacity is required, the above minimum monthly charges shall be increased at the rate of 71.797¢ for each additional kva or fraction thereof.

DETERMINATION OF DEMAND: The billing demand shall be the maximum demand in kW as measured by a maximum demand meter, for any period of 15 consecutive minutes during the month for which the bill is rendered, but in no event will it be considered less than 3 kW.

If a major part of the load is intermittent and highly fluctuating, and of such a nature that ordinary demand meters will not register the true amount of demand required by the load, the billing demand may be computed in accordance with the Company's rules and regulations; or may be the instantaneous maximum demand computed from the nameplate rating or from tests under maximum operating conditions, or may be considered to be the rated capacity in kva of the transformers needed to serve the load satisfactorily.

If it is impractical or impossible to measure the demand and the current used with one meter or metering equipment, the Company may, at its option, install separate meters and combine the readings of such meters before applying the rate. If this is done, no allowance shall be made for diversity, but all demands and consumptions shall be added together to determine the totals on which billing will be made.

Because of the expense involved in reading and resetting demand meters in a rural area, a demand established by test during a normal period of use and this demand, if less than 10 kW, may be considered the billing demand, subject to recheck from time to time. Demands consistently exceeding 10 kW will normally be established by a demand meter read monthly.

COST OF ENERGY ADJUSTMENT: The energy charges under this schedule are subject to a Cost of Energy Adjustment as provided for in Rate Designation M-60N, or any amendments or superseding provisions applicable thereto.

PAYMENT: Refer to Payment Policy Rate Schedule, Rate Designation M-62N, superseding amendments, or provisions allowed by law.

REGULATIONS: General Rules and Regulations govern use under this schedule.

ADJUSTMENT FOR MUNICIPAL PAYMENTS: Bills under this rate schedule may be subject to adjustment for certain payments to municipalities as provided in the General Rules and Regulations.

**GENERAL SERVICE
 (Controlled Demand - Experimental)**

Rate Zone 1 & 9

On-Peak	44-433
Off-Peak	44-434

APPLICATION OF SCHEDULE: This schedule is limited to 40 general service customers. This schedule is applicable for 120/240-volt single and 240-volt three-phase (3 or 4-wire) electric service supplied through one meter. Three-phase service to customers located in rural areas will be supplied by contract in accordance with Otter Tail's regular policy. Service will be supplied at other available distribution voltages only upon approval by Otter Tail. This rate is not applicable for emergency, supplementary or standby service, nor for energy for resale, nor for municipal streetlighting. Water heating and space heating may be served under this rate.

RATE:

Facilities Charge: \$14.12

Demand:

	<u>On-Peak</u>	<u>Off-Peak</u>
Winter, November - April	\$7.51 per kW of billing demand.	\$0.96 per kW of billing demand.
Summer, May - October	\$5.60 per kW of billing demand.	\$0.96 per kW of billing demand.

Energy: All kWh used per month - 3.473¢ per kWh

CHANGE IN BASE COST OF ENERGY:

There shall be an adder of 1.447 cents per kWh to each energy charge in this rate schedule.

N
N

INTERIM RATE ADJUSTMENTS:

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, Energy Charge (after the increase of 1.447 cents per kWh), Demand Charge, Fixed Charge, and the monthly Minimum Charge.

N
N
N
N

BILLING DEMAND DETERMINATION: The on-peak winter demand will be based on the maximum 1 hour demand reading during the winter controlled period for the most recent 12

months. The on- peak summer demand will be based on the maximum 1 hour demand reading during the summer controlled period for the most recent 12 months. The winter off-peak demand will be based on the maximum 1 hour demand reading during the winter uncontrolled period for the most recent 12 months. The summer off-peak demand will be based on the maximum 1 hour demand reading during the summer uncontrolled period for the most recent 12 months.

CONTROL CRITERIA: Service will be delivered without control for a minimum of 10 hours during any 24-hour period. Controlled winter periods will typically occur during the day Monday through Saturday when temperatures are below zero. Controlled summer periods will typically occur during the day Monday through Saturday when temperatures are above 80 degrees.

COST OF ENERGY ADJUSTMENT: The energy charges under this schedule are subject to a Cost of Energy Adjustment as provided for in Rate Designation M-60N, or any amendments or superseding provisions applicable thereto.

PAYMENT: Refer to Payment Policy Rate Schedule, Rate Designation M-62N, superseding amendments, or provisions allowed by law.

MONTHLY MINIMUM CHARGE: \$14.12 plus the applicable on-peak and off-peak demand charge.

CONTRACT PERIOD: Not less than one year, unless otherwise authorized by Otter Tail Power Company.

REGULATIONS: General Rules and Regulations govern use under this schedule.

ADJUSTMENT FOR MUNICIPAL PAYMENTS: Bills under this rate schedule may be subject to adjustment for certain payments to municipalities as provided in the General Rules and Regulations.

As a requirement before this rate will be applied, authorized employees of the Company shall be allowed full access to the plans and specifications for the building and allowed full opportunity to inspect the building and the heating and control installation.

The Company may require that a control system capable of automatically limiting the demand of water heaters and space heaters be installed. The control system shall be of a design acceptable to the Company or one which is compatible with Otter Tail's radio control system.

**ELECTRIC CLIMATE CONTROL
(Non-Residential General Service) (Closed)
Rate Zones 1 & 9**

Rate E - not less than 10% of total	44-493
Rate E - not less than 50% of total	44-494

APPLICATION OF SCHEDULE: This schedule shall be applicable to any non-residential customer requesting electric service for heating and general service in compliance with the requirements outlined as follows:

1. The customer shall have installed and in use an approved electric space heating installation which is the sole means for heating certain specific areas, complying with Otter Tail's specifications and requirements;
2. The customer may also have installed and in use an approved air conditioning (cooling) installation which is the sole means for cooling certain specific areas, complying with Otter Tail's specifications and requirements;
3. The customer may also have installed and in use an approved electric cooking or process heating installation which is the sole means for providing heat for this equipment. Electric water heaters may be included;
4. Electric heating equipment used pursuant to either No. 1 or No. 3 above shall be resistance non-inductive type or heat pump (reverse refrigeration cycle) or combination of the two. Other types of heating equipment will be served at this rate only by special authorization.

RATE:

CUSTOMER CHARGE \$7.90 plus the minimum billing under E shall be the greater of 10% of the total kwh used during the month or 300 kwh (but not to exceed the total kwh used); except that if the space heating included in H shall be the source of heat for only a portion of the premises and shall be less than 30% of the total connected load, in that event the minimum billing under E shall be the greater of 50% of the total kwh used during the month or 300 kwh (but not to exceed the total kwh used). Except to comply with these qualifications, the rate will be applied as follows:

H. First 200 kwh used per month per installed kw of electric space heating equipment during the 8 heating months of January, February, March, April, May, October, November and December --

Heating - 4.832¢ per kwh

RATE:

A. C. First 200 kwh used per month for each 5,000 Btu per hour of electric air conditioning (cooling) during the 4 months of June, July, August and September --

Air Conditioning - 4.832¢ per kwh

Where the air conditioning systems cool only the same specific area heated by electricity, the Btu allowance will be based on the installed capacity of the air conditioning equipment. Where the air conditioning systems cool more than the areas heated electrically, the Btu allowance shall be based on 2,000 Btu per hour for each kw of installed heating. There shall be no Btu allowance for cooling capacity in areas not heated electrically.

C. Next 30 kwh used per month per kw of installed electric cooking, process heating, food heating and water heating equipment --

Cooking - 4.832¢ per kwh

E. Next 1000 kwh used per month - 10.354¢ per kwh
Next 1000 kwh used per month - 8.968¢ per kwh
Excess kwh used per month - 7.207¢ per kwh

All kwh included in E in excess of 200 kwh
per kw of billing demand - 5.325¢ per kwh

CHANGE IN BASE COST OF ENERGY:

There shall be an adder of 1.447 cents per kWh to each energy charge in this rate schedule.

N
N

INTERIM RATE ADJUSTMENTS:

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, Energy Charge (after the increase of 1.447 cents per kWh), Demand Charge, Fixed Charge, and the monthly Minimum Charge.

N
N
N
N

DISCOUNTS AVAILABLE: Discounts for Primary Service or Primary Metering are available by mutual agreement in accordance with the rule attached.

MONTHLY MINIMUM CHARGE: Customer Charge \$7.90

SERVICE SUPPLY, UTILIZATION EQUIPMENT: This schedule is applicable for 120/240 volt single and 240 volt three-phase (3 or 4 wire) electric service supplied through one meter.

Service will be supplied at other available distribution voltages only upon approval by Otter Tail. This rate is not applicable for emergency, supplementary or standby service, nor for energy for resale, nor for municipal streetlighting.

All equipment to be served must be of such voltage and electrical characteristics that it can be served from the circuit provided for the main part of the load and the electricity used properly measured by the meter ordinarily installed on such a circuit. If the equipment to be served is such that this is impossible, the customer must provide any necessary transformers, auto transformers or other devices suitable for connection to the circuit provided by the Company.

Intermittent and highly fluctuating loads requiring a separate service line or separate transformer may be served through a separate meter, on this rate, with a separate billing.

DETERMINATION OF DEMAND: The billing demand shall be the maximum demand in kw, as measured by a demand meter, for any period of fifteen consecutive minutes during the month for which the bill is rendered, but in no event shall it be considered less than 10 kw. Fractions of a kw will be dropped.

If a major part of the load is intermittent and highly fluctuating, and of such a nature that ordinary demand meters will not register the true amount of demand required by the load, the billing demand may be computed in accordance with the Company's rules and regulations; or may be the instantaneous maximum demand computed from the nameplate rating or from tests under maximum operating conditions, or may be considered to be the rated capacity in kva of the transformers needed to serve the load satisfactorily.

If it is impractical or impossible to measure the demand and the current used with one meter or metering equipment, the Company may, at its option, install separate meters and combine the readings of such meters before applying the rate. If this is done, no allowance shall be made for diversity, but all demands and consumptions shall be added together to determine the totals on which billing will be made.

COST OF ENERGY ADJUSTMENT: The energy charges under this schedule are subject to a Cost of Energy Adjustment as provided for in Rate M-60N, or any amendments or superseding provisions applicable thereto.

TAX REFORM ACT CREDIT ADJUSTMENT: A tax credit adjustment of 4.27% shall be subtracted from all billings.

PAYMENT: Refer to Payment Policy Rate Schedule, Rate Designation M-62N, superseding amendments, or provisions allowed by law.

CONTRACT PERIOD: Not less than one year, unless otherwise authorized by Otter Tail.

REGULATIONS: For regulations governing use under this schedule, apply to the Company.

ADJUSTMENT FOR MUNICIPAL PAYMENTS: Bills under this rate schedule may be subject to adjustment for certain payments to municipalities as provided in the General Rules and Regulations.

DISCOUNTS AVAILABLE:

PRIMARY METERING - Metering may be at primary voltage (available line voltage but not less than 2,400 volts) at the option of Otter Tail. In this event, a discount of 2% will be allowed to compensate customer for transformer losses, etc.

PRIMARY SERVICE - 3% if transformers, associated equipment and necessary supporting structures, and other distributing facilities between the transformers and the load are supplied by the customer but metering is at secondary voltage.

PRIMARY METERING & PRIMARY SERVICE - 5% if service is metered at primary voltage and customer supplies transformers, associated equipment and necessary supporting structures, and distributing facilities.

SPECIAL REQUIREMENTS:

1. The specifications for an Approved Electric Space Heating Installation are as follows:
 - a. The areas considered to be heated by the electric space heating equipment shall be partitioned off or otherwise separated from areas heated by other fuels in such manner that no significant portion of the heat requirement is provided from non-electric sources.
 - b. The Space Heating Equipment considered in the application of "H" shall not exceed by more than 15% the heat loss in kw of the premises heated thereby, as computed, or agreed to by Otter Tail.
 - c. In a building where a significant amount of the space heating is accomplished by heat derived from other electric equipment, not specifically considered to be Space Heating Equipment, the installed kw of electric space heating equipment may be adjusted therefore or may be considered to be the heat loss of the building, as agreed to by Otter Tail.
 - d. The premises must be adequately insulated and equipped with storm windows, storm doors, weather stripping where required or with devices of equal efficiency to meet established

standards of the Power Company to insure that the heat loss shall be kept at an economical minimum.

e. The space heating equipment shall be rated 240 volts (unless otherwise approved), of adequate size, properly located, so as to heat the premises to a comfortable temperature during normal winter weather experienced in this area, of a design acceptable to the Power Company, shall be permanently installed and shall be the sole source of space heating for the specific areas as designated.

f. All space heating electricity must be supplied through the general service meter serving the customer's electrically-heated premises.

g. Authorized employees of the Power Company shall be allowed full access to the plans and specifications for the building and allowed full opportunity to inspect the premises and the heating, cooling and control installation.

The inspection of the installation by an authorized representative of the Power Company is necessary before application of this rate is permitted.

2. The specifications for an Approved Electric Air Conditioning Installation are as follows:

a. Air conditioning equipment serving customer's premises and under his control must utilize electricity as the sole source of energy for the operation of such equipment.

b. Air conditioning equipment must be of refrigeration type utilizing compressors driven by electric motors.

3. The specifications for an Approved Electric Cooking Installation are as follows:

a. The electric cooking equipment may be either commercial or domestic type.

b. Major units of equipment must be permanently wired.

c. Electrically heated steam tables, radiant heaters or infrared lamps or other electrical devices used for similar purposes may be considered electric cooking equipment.

d. Equipment considered must be in active, regular use. Duplicate reserve equipment or equipment which is infrequently used will not be included.

4. Process Heating equipment may include:

- a. Electrically heated melting pots for typecasting or similar machines.
- b. Electrically heated equipment for heat treating of metal or metal parts, including induction heating equipment.
- c. Electrically operated induction heating or dielectric heating equipment.
- d. Other devices or new types of equipment may be authorized if through electric heating they perform similar work.
- e. Equipment considered must be in active, regular use.
- f. X-ray equipment, diathermy machines, etc., will not be included.

LARGE GENERAL SERVICE

Rate Zones 1 & 9

Transmission Service	44-632
Primary Service	44-602
Secondary Service	44-603

APPLICATION OF SCHEDULE: This schedule is applicable upon request for single and three-phase electric service supplied through one meter. This rate is not applicable for energy for resale, nor for municipal streetlighting. Emergency, supplementary or standby service will be supplied only in accordance with the terms applying to such service.

All equipment to be served must be of such voltage and electrical characteristics that it can be served from the circuit provided for the main part of the load and the electricity used properly measured by the meter ordinarily installed on such a circuit. If the equipment to be served is such that this is impossible, the customer must provide any necessary transformers, auto transformers or other devices suitable for connection to the circuit provided by the Company.

Intermittent and highly fluctuating loads requiring a separate service line or separate transformer may be served through a separate meter, on this rate, with a separate billing.

RATE:

Demand:	<u>Transmission Service</u>	<u>Primary Service</u>	<u>Secondary Service</u>
First 100 kW of billing demand	\$7.23 /kW	\$8.04 /kW	\$8.33 /kW
Excess kW of billing demand	\$5.65 /kW	\$6.51 /kW	\$6.80 /kW

PLUS:

Energy:

All over 360 kWh per kW of billing demand	-- 2.935¢ per kWh
First 700,000 kWh	-- 3.784¢ per kWh
Excess kWh	-- 2.979¢ per kWh

CHANGE IN BASE COST OF ENERGY:

There shall be an adder of 1.447 cents per kWh to each energy charge in this rate schedule.

N
N

INTERIM RATE ADJUSTMENTS:

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, Energy Charge (after the increase of 1.447 cents per kWh), Demand Charge, Fixed Charge, and the monthly Minimum Charge.

N
N
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N

MONTHLY MINIMUM CHARGE: The demand charge, computed in accordance with the terms of this rate.

DETERMINATION OF BILLING DEMAND: Otter Tail Power, at its option, will calculate the billing demand as: 1) the maximum kW as measured by a suitable demand meter for any period of 15 consecutive minutes during the months for which the bill is rendered adjusted for excess reactive demand; or 2) the standard minimum; or 3) the special billing demand as defined below.

(Standard Minimum) the greater of 80 kW or

25% of the first	500 kW plus
50% of the next	500 kW plus
75% of the excess	kW of billing demand in excess of 1000 kW, established during the preceding 11 months.

SPECIAL BILLING DEMAND: Upon customer request, Otter Tail Power may calculate the demand used for billing as the average of the previous twelve billing demands. The use of, or occurrences of, a special billing demand shall not exceed six billing months during any twelve month billing period. Otter Tail Power may agree to the use of the special billing demand upon conditions where customers have incurred, or can take advantage of, increased demand levels and the increased demand levels did not, or will not, increase Otter Tail Power's peak load. During the period under which the customer's billing demand is calculated in accordance to the provision of the Special Billing Demand, Otter Tail Power reserves the right to curtail the customer's additional demand (i.e., any demand over the special billing demand level) back to the customer's special billing demand in order to maintain the integrity of Otter Tail Power's generation and transmission systems.

ADJUSTMENT FOR EXCESS REACTIVE DEMAND: The billing demand shall be increased by one kW for each whole 10 kvar of reactive demand in excess of 50% of the measured demand in kW.

METERING: If it is impractical or impossible to measure the demand and the energy used with one meter or metering equipment, Otter Tail may, at its option, install separate meters and combine the readings of such meters before applying the rate. If this is done, no allowance shall be made for

diversity but all demands and consumptions shall be added together to determine the totals on which billing will be made.

EMERGENCY, SUPPLEMENTARY OR STANDBY SERVICE: Emergency, supplementary or standby service will be provided only subject to individual negotiation, in each instance.

COST OF ENERGY ADJUSTMENT: The energy charges under this schedule are subject to a Cost of Energy Adjustment as provided for in Rate M-60N, or any amendments or superseding provisions applicable thereto.

PAYMENT: Refer to Payment Policy Rate Schedule, Rate Designation M-62N, superseding amendments, or provisions allowed by law.

CONTRACT PERIOD: This rate is applicable only by signed agreement, setting forth the location and conditions applicable to the electric service, and providing for an initial minimum contract period of three years, unless otherwise authorized by Otter Tail.

REGULATIONS: General Rules and Regulations govern use under this schedule.

ADJUSTMENT FOR MUNICIPAL PAYMENTS: Bills under this rate schedule may be subject to adjustment for certain payments to municipalities as provided in the General Rules and Regulations.

REAL TIME PRICING RIDER

Rates Zones 1 & 9

Transmission Service	44-660
Primary Service	44-662
Secondary Service	44-664

AVAILABILITY: This rider is available on a voluntary basis.

APPLICABILITY: This rider will be provided to any customer served under Rate Designations C-02N, C-04N, and G-01N who has maintained a measured demand of at least 200 kW during the historical period used for Customer Baseline Load (“CBL”) development.

TYPE OF SERVICE: Three phase, 60 hertz at any available standard voltage.

TERM OF SERVICE: Service under this rider shall be for a period not less than one year. The customer shall take service under this rider by either signing new electric service agreements with Otter Tail Power or by entering into amendments of existing electric service agreements. A customer who voluntarily cancels service under this rider is not eligible to receive service again under this rider for a period of one year.

PRICING METHODOLOGY: Hourly prices are determined for each day based on projections of the hourly system incremental generation costs, transmission costs, losses according to voltage level, hourly outage costs (when applicable), and profit margin.

CUSTOMER BASELINE LOAD: The Customer Baseline Load is specific to each Real Time Pricing (“RTP”) Customer and is developed using a 12-month period of hourly (8,760) energy levels (kWh) as well as the corresponding twelve monthly billing demands based on the customer's rate schedule under which it was being billed immediately prior to taking service under the RTP Rider. The customer’s CBL must be agreed to in writing by the customer as a precondition of receiving service under this rider.

CUSTOMER BASELINE LOAD:

The customer’s CBL is a representation of its typical pattern of electricity consumption and is derived from historical usage data. The CBL is used to produce the Standard Bill and from which to measure changes in consumption for purposes of billing under the RTP rider.

STANDARD BILL: The Standard Bill is calculated by applying the charges in the rate schedule under which the customer was being billed immediately prior to taking service under the RTP rider to both the customer's CBL demand (adjusted for reactive demand) and the CBL level of energy usage for each month of the RTP service year. Otter Tail Power will immediately adjust a customer's Standard Bill to reflect any changes which are approved by the North Dakota Public Service Commission to the applicable rate schedule.

BILL DETERMINATION: A Real Time Pricing bill will be rendered after each monthly billing period. The bill consists of an Administrative Charge, a Standard Bill, a charge (or credit) for consumption changes from the CBL, and an excess reactive demand charge/credit. The monthly bill is calculated using the following formula:

$$\text{RTP Bill}_{\text{Mo}} = \text{Adm. Charge} + \text{Std Bill}_{\text{Mo}} + \text{Consumption Changes from CBL}_{\text{Hr}} + \text{Excess Reactive Demand}$$

Where:

- RTP Bill_{Mo} = Customer's monthly bill for service under this Rider
Adm. Chg. = See Administrative Charge section below
Std. Bill_{Mo} = See Standard Bill section above
Consumption Changes From CBL = $3 \{ \text{Price}_{\text{Hr}} \times \{ \text{Load}_{\text{Hr}} - \text{CBL}_{\text{Hr}} \} \}$
Excess Reactive Demand = See Excess Reactive Demand section below
3 = Sum over all hours of the monthly billing period
Price_{Hr} = Hourly RTP price as defined under Pricing Methodology
Load_{Hr} = Customer's actual load for each hour of the billing period
CBL_{Hr} = Customer's CBL energy usage for each hour of the billing period

ADMINISTRATIVE CHARGE: An Administrative Charge in the amount of \$180 will be applied to each monthly bill to cover billing, administrative, metering, and communication costs associated with real-time pricing.

CHANGE IN BASE COST OF ENERGY:

There shall be an adder of 1.447 cents per kWh to each energy charge in this rate schedule.

N
N

INTERIM RATE ADJUSTMENTS:

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, Energy Charge (after the increase of 1.447 cents per kWh), Demand Charge, Fixed Charge, and the

N
N
N

NORTH DAKOTA PUBLIC
SERVICE COMMISSION
Approved: (DATE)
Case No. PU-08-

EFFECTIVE with bills rendered on
and after January 2, 2009, in ND.

APPROVED: Bernadeen Brutlag
Manager, Regulatory Services

monthly Minimum Charge.

N

CONSUMPTION CHANGES FROM CBL: Hourly RTP prices are applied only to the difference, determined in kWhs for each hour of the billing period, between the customer's actual energy usage and its CBL energy usage.

EXCESS REACTIVE DEMAND: The Reactive Demand shall be the maximum KVAR registered over any period of one hour during the month for which the bill is rendered. A separate charge or credit will be made on the bill to reflect incremental changes from the reactive demand used in the Standard Bill calculation.

DETERMINATION OF THE CBL:

1. Development of the customer's CBL.

For a customer who elects to take service under this RTP rider, Otter Tail Power and the customer will develop a CBL using hourly load data from a representative 12-month period. The representative hourly load data to be used will be historical data that originates within two years (24 months) of the date that the customer begins receiving service under the RTP rider.

In situations where hourly data are not available for a particular customer, a CBL will be made by using available aggregate metered usage data and load shapes from customers with similar usage patterns along with engineering and operating data provided by the Customer and which is verified by Otter Tail.

2. Calendar Mapping of the Base-Year CBL to the RTP service year.

To provide the customer with the appropriate CBL for each day of the RTP service year, each day of the base-year CBL is calendar-mapped to the corresponding day of the RTP service year. Calendar-mapping is a day-matching exercise performed to assure that Mondays are matched to Mondays, Tuesdays are matched to Tuesdays, holidays to holidays, and so forth. Calendar-mapping also reflects customer shutdown schedules. Calendar-mapping is performed prior to each year of RTP service, after any necessary adjustments (as defined below) are made to the CBL.

CBL ADJUSTMENTS: In order to assure that the CBL accurately reflects the energy that the customer would consume on its otherwise applicable rate schedule, adjustments to the CBL shall be made for:

-
1. The installation of permanent energy efficiency measures as a result of participation in Otter Tail's Conservation Improvement Project or other verifiable conservation or technology efficiency improvement measures. At any time during the RTP service year, customers can request that CBL adjustments be made to reflect efficiency improvements and that the adjustment coincide with the time of the installation or change-out.
 2. The permanent removal of customer equipment or a change to operating procedures that results in a significant and permanent reduction of electrical load. At any time before or during the RTP service year, Otter Tail will make adjustments to the CBL to coincide with the time that the equipment is removed or changes to operating procedures.

CBL ADJUSTMENTS: (Continued)

3. The permanent addition of customer equipment that has been or will be made prior to the *initial* RTP service year is based upon known changes in customer usage and/or demand that are not directly related to the introduction of RTP.
4. One-time, extraordinary events such as a tornado or other natural causes or disasters outside the control of the customer or Otter Tail. In these cases, Otter Tail will make adjustments to the CBL as warranted by the circumstance.

CBL RECONTRACTING: RTP customers, at the time of initial subscription and during future re-subscription periods, shall select a recontracting Adjustment Factor that will be used in the CBL adjustment rule defined below for the next RTP service year. The Adjustment Factor shall be a number between zero and one inclusive.

After taking service under the RTP rider for one full year, the CBL for the second (and subsequent) year(s) of RTP service will be based on both the CBL and the actual load. CBLs will be developed for subsequent years based upon the following general rule:

$$CBL_{t+1} = CBL_t + \{ \text{Adjustment Factor} \times (\text{Actual load}_t - CBL_t) \}$$

PRICE NOTIFICATION: Otter Tail Power shall make available to customers, no later than 4:00 p.m. (Central Time) of the preceding day, hourly RTP prices for the next business day. Except for unusual periods where an outage is at high risk, Otter Tail will make prices for Saturday through Monday available to customers on the previous Friday. More than one-day-ahead pricing may also be used for the following holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving, and Christmas.

Because high-outage-risk circumstances prevent Otter Tail from projecting prices more than one day in advance, Otter Tail reserves the right to revise and make available to customers prices for

Sunday, Monday, any of the holidays mentioned above, or for the day following a holiday. Any revised prices shall be made available by the usual means no later than 4:00 p.m. of the day prior to the prices taking effect.

Otter Tail is not responsible for a customer's failure to receive or obtain and act upon the hourly RTP prices. If a customer does not receive or obtain the prices made available by Otter Tail, it is the customer's responsibility to notify Otter Tail by 4:30 p.m. (Central Time) of the business day preceding the day that the prices are to take effect. Otter Tail will be responsible for notifying the customer if prices are revised.

SPECIAL PROVISIONS:

1. If there is a change in the legal identity of the customer receiving service under this RTP rider, service shall be terminated unless Otter Tail and the customer make other mutually agreeable arrangements.
2. All equipment to be served must be of such voltage and electrical characteristics so that it can be served from the circuit provided for the main part of the load and so that the electricity used can be properly measured by the meter ordinarily installed on such a circuit. If the equipment is such that it is impossible to serve from existing circuits, the customer must provide any necessary transformers, auto transformers, or any other devices so that connection can be made to the circuit provided by Otter Tail.
3. If the customer's actual load exceeds the CBL by an amount that requires Otter Tail to install additional facilities to serve the customer, the customer will be responsible for any and all costs incurred by Otter Tail to install the facilities.

REGULATIONS: General Rules and Regulations govern use under this schedule.

OFF-PEAK RIDER
(Applicable to Large General Service)

Rate Zones 1 & 9

Transmission Service	44-634
Primary Service	44-604
Secondary Service	44-605

AVAILABLE: To customers who make written application to the Company for operation on an off-peak basis.

RATE: Large General Service except for the following:

Billing Demand: Billed at the demand charge as specified in the rate. The billing demand shall be the greater of the maximum kW established during the "On- Peak" period for the month for which the bill is rendered;

or two-thirds of the maximum demand established during the hours from 6:00 a.m. to 8:00 a.m. and 10:00 p.m. to 12:00 midnight, Monday through Saturday of each week,

or one-half of the maximum demand established during the hours from 12:00 midnight to 6:00 a.m., Monday through Saturday of each week and from 12:01 a.m. to 12:00 midnight all day Sunday,

or not less than 75% of the highest billing demand established during the previous five months of the corresponding seasonal period.

If the billing period ends during the summer period from May 1 to October 31, the "previous five months" shall be those falling only within a summer period. If the billing period ends during the winter period from November 1 to April 30, the "previous five months" shall be those falling only within a winter period.

"On-Peak" hours: 8:00 a.m. to 10:00 p.m. Monday through Saturday of each week for both summer and winter periods.

"Off-Peak" hours and Demand: The "Off-Peak" hours shall be all those hours not falling within the hours specified as "On-Peak." Demands established during the off-peak period shall be billed only as provided for under the "Billing Demand" provision in this rider. All demands shall be adjusted for excess reactive demand as provided for in the basic rate schedule.

CHANGE IN BASE COST OF ENERGY:

N

NORTH DAKOTA PUBLIC
SERVICE COMMISSION
Approved: (DATE)
Case No. PU-08-

RATES EFFECTIVE with bills rendered
on and after January 2, 2009, in ND

APPROVED: Bernadeen Brutlag
Manager, Regulatory Services

There shall be an adder of 1.447 cents per kWh to each energy charge in this rate schedule. N

INTERIM RATE ADJUSTMENTS:

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, N
Energy Charge (after the increase of 1.447 cents per kWh), Demand Charge, Fixed Charge, and the N
monthly Minimum Charge. N

LARGE GENERAL SERVICE - TIME OF DAY
 Rate Zones 1 & 9

	<u>On-Peak</u>	<u>Shoulder</u>	<u>Off-Peak</u>
Transmission Voltage Service	44-611	44-614	44-613
Primary Voltage Service	44-610	44-615	44-612
Secondary Voltage Service	44-639	44-637	44-640

APPLICATION OF SCHEDULE: This schedule is applicable upon request for customers with a load of at least 80 kW for single or three-phase electric service supplied through one meter. This rate is not applicable for energy for resale, municipal streetlighting, emergency, supplementary or standby service.

All equipment to be served must be of such voltage and electrical characteristics that it can be served from the circuit provided for the main part of the load and the electricity used properly measured by the meter ordinarily installed on such a circuit. If the equipment to be served is such that this is impossible, the customer must provide and maintain any necessary transformers, auto transformers or other devices suitable for connection to the circuit provided by the Company.

Intermittent and highly fluctuating loads requiring a separate service line or separate transformer may be served through a separate meter, on this rate, with a separate billing.

RATE:

	Transmission Voltage Service	Primary Voltage Service	Secondary Voltage Service
Customer Charge \$/Month	\$135.00	\$135.00	\$119.00
<u>Customer Owned Facilities</u>	<u>Required</u>	<u>Required</u>	<u>Not Required</u>
Energy Charges \$/kWh			
Winter			
Peak	\$0.0624	\$0.0685	\$0.0692
Shoulder	\$0.0427	\$0.0471	\$0.0476
Off-Peak	\$0.0119	\$0.0139	\$0.0140
Summer			
Peak	\$0.0900	\$0.1049	\$0.1061
Shoulder	\$0.0322	\$0.0366	\$0.0369
Off-Peak	\$0.0106	\$0.0127	\$0.0129

RATE (continued):

	Transmission Voltage Service	Primary Voltage Service	Secondary Voltage Service
Distribution Facilities Charge \$/kW of Annual Peak/Month			
Less than 150 kW	Not Applicable	Not Applicable	\$0.29
150 kW - 299 kW	Not Applicable	Not Applicable	\$0.20
300 kW - 499 kW	Not Applicable	Not Applicable	\$0.16
Greater than 500 kW	Not Applicable	Not Applicable	\$0.13
Power Factor Penalty \$/Excess kW per Month			
	\$6.60	\$6.60	\$7.10

Minimum Bill: Applies to all service levels - 2.5 times sum of customer and facility charges

RATE DEFINITIONS:

Customer Owned Facilities:

Transmission Voltage Service customers own the substation and all distribution facilities.

Primary Voltage Service customers own all distribution facilities dedicated to serve the customers load.

Distribution Facilities Charge: Applies to Secondary Voltage Service customers only. This monthly charge is based on customer's annual maximum metered 15-minute demand as recorded in the current or previous 11 months, but no less than 80 kW.

Power Factor Penalty: defined as one kW for each whole 10 kvar of reactive demand in excess of 50% of the peak measured demand in the billing month.

CHANGE IN BASE COST OF ENERGY:

There shall be an adder of 1.447 cents per kWh to each energy charge in this rate schedule.

N
N

INTERIM RATE ADJUSTMENTS:

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, Energy Charge (after the increase of 1.447 cents per kWh), Demand Charge, Fixed Charge, and the monthly Minimum Charge.

N
N
N
N

COST OF ENERGY ADJUSTMENT: The energy charges under this schedule are subject to a Cost of Energy Adjustment as provided for in Rate Designation M-60N, or any amendments or superseding provisions applicable thereto.

CUSTOMER CONNECTION CHARGE: Refer to Payment Policy Rate Schedule, Rate Designation M-62N.

PAYMENT: Refer to Payment Policy Rate Schedule, Rate Designation M-62N, superseding amendments, or provisions allowed by law.

CONTRACT PERIOD: This rate is applicable only by signed agreement, setting forth the location and conditions applicable to the electric service, and providing for an initial minimum contract period of one year, unless otherwise authorized by Otter Tail.

REGULATIONS: General Rules and Regulations govern use under this schedule.

ADJUSTMENT FOR MUNICIPAL PAYMENTS: Bills under this rate schedule may be subject to adjustment for certain payments to municipalities as provided in the General Rules and Regulations.

DEFINITION OF ON-PEAK, SHOULDER AND OFF-PEAK PERIODS BY SEASON:

Summer Season: June – September billings

On-Peak: Monday – Friday, from 11:01 am to 9:00 pm

Shoulder: Monday – Friday from 9:01 am to 11:00 am and from 9:01 pm to 11:00 pm;
Saturday from 6:01 am to 10:00 pm

Off-Peak: All remaining hours.

Winter Season: October – May billings

On-Peak: Monday – Friday, from 8:01 am to 9:00 pm

Shoulder: Monday – Friday from 6:01 am to 8:00 am and from 9:01 pm to 11:00 pm;
Saturday from 6:01 am to 10:00 pm

Off-Peak: All remaining hours.

CONTROLLED SERVICE - INTERRUPTIBLE LOAD

Rate Zones 1 & 9
80 kW Capacity and Greater

Controlled Service - 80 kW Capacity & Greater	44-170
Controlled Service – 80 kW Capacity & Greater (short duration cycling)	44-165
Penalty	44-199

APPLICATION OF SCHEDULE: This schedule is applicable for residential or commercial service to any approved permanently connected interruptible load with capacity of 80 kW or greater; such loads are primarily the electric heating portion of alternate fuel heating systems. Electric heating systems may include heat pumps used for both heating and cooling. Domestic electric water heating and/or other permanently connected approved loads may be served under the provisions of this rate schedule. Electric fans, pumps or associated equipment used in the distribution of heat shall be wired for service through the customer's residential, farm, general service, or large general service meter unless approved by Otter Tail Power Company.

Alternate fuel energy heating sources, when service to space heating equipment on this rate is curtailed, cannot be electric except for approved supplemental units on the main use meter.

RATE: Customer Charge: \$4.74 plus

Energy = November - April: 2.253¢ per kWh

May - October: 2.253¢ per kWh

Penalty: All kWh - 10.088¢ per kWh in addition to the off-peak charge.

Penalty periods are defined as periods when the Company's control equipment has operated to provide a switching signal to switch off customer's controlled service loads during winter or summer peaking conditions. Penalty usage will be recorded on the peak register, and the total register of the dual register meters. Installation of a dual register meter will be at the option of the Company.

INTERIM RATE ADJUSTMENT

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, Energy Charge, Demand Charge, Fixed Charge, and the monthly Minimum Charge.

N
N
N

CONTROL CRITERIA: Interruptible loads, such as alternate fuel -- 0 to 24 hours service per day and 10 or more hours service to other approved deferred loads. Short-duration cycling is 15-minutes off / 15-minutes on of appropriate cooling equipment during the summer season (May 1-Oct 31).

MONTHLY MINIMUM CHARGE: Customer Charge \$4.74

EQUIPMENT SUPPLIED: Otter Tail will supply and maintain the necessary metering and control equipment. Wiring by the customer shall be such that the meter and associated controlling devices are separate and located adjacent to each other. For large controlled loads, the customer's controllable load interrupting device may, with Otter Tail's approval, be located inside the building adjacent to the customer's main disconnects.

OTHER PROVISIONS:

1. Otter Tail Power Company recommends that the installed capacity of electric space heating equipment be sufficient to heat the structure or specified area during normal winter weather to permit maximum utilization of the rate for the benefit of the customer.
2. If the installed capacity for electric space heating is insufficient to provide adequate heating down to outdoor design temperature during normal winter months, the customer must incorporate his or her own outdoor thermostat in conjunction with Otter Tail's control equipment.
3. The Company reserves the right to control loads on this rate during emergencies.
4. The Company shall not be liable for loss or damage caused by normal interruption of service.

CUSTOMER CONNECTION CHARGE: Refer to General Rules and Regulations.

PAYMENT: Refer to Payment Policy Rate Schedule, Rate Designation M-62N, superseding amendments, or provisions allowed by law.

CONTRACT PERIOD: Not less than one year, unless otherwise authorized by Otter Tail Power Company.

REGULATIONS: General Rules and Regulations govern use under this schedule.

ADJUSTMENT FOR MUNICIPAL PAYMENTS: Bills under this rate schedule may be subject to adjustment for certain payments to municipalities as provided in the General Rules and Regulations.

CONTROLLED SERVICE - INTERRUPTIBLE LOAD

Rate Zones 1 & 9
Less Than 80 kW Capacity

Controlled Loads-Less Than 80 kW Capacity	
With Credit-Closed to New Customers	44-180
Without Credit	44-190
Controlled Loads-Less than 80 kW Capacity (short duration cycling)	44-185
Penalty	44-199

APPLICATION OF SCHEDULE: This schedule is applicable for residential or commercial service to any approved permanently connected interruptible load or loads that can be served under the limited conditions provided; such loads are primarily thermal storage and the electric heating portion of alternate fuel heating systems. Electric heating systems may include heat pumps used for both heating and cooling. Domestic electric water heating and/or other permanently connected approved loads may be served under the provisions of this rate schedule. Electric fans, pumps or associated equipment used in the distribution of heat shall be wired for service through the customer's residential, farm, general service, or large general service meter unless approved by Otter Tail Power Company.

Alternate fuel energy heating sources, when service to space heating equipment on this rate is curtailed, cannot be electric except for approved supplemental units on the main use meter.

CONTROL CRITERIA: Interruptible loads, such as alternate fuel---- 0 to 24 hours per day and 10 or more hours of service to other approved deferred loads.

RATE: Customer Charge \$3.78 plus

Energy: November - April =

First 5000 kWh - 3.097¢ per kWh (less .383¢ per kWh for first three years-closed)
Excess kWh - 2.815¢ per kWh (less .67¢ per kWh for first three years-closed)

May - October =

First 1500 kWh - 2.956¢ per kWh (less .383¢ per kWh for first three years-closed)
Excess kWh - 2.675¢ per kWh (less .67¢ per kWh for first three years-closed)

Penalty: All kWh - 10.088¢ per kWh in addition to the off-peak charge.

Penalty periods are defined as periods when the Company's control equipment has operated to provide a switching signal to switch off customer's controlled service loads during winter or summer peaking conditions. Penalty usage will be recorded on the peak register, and the total register of the dual register meters. Installation of a dual register meter will be at the option of the Company.

INTERIM RATE ADJUSTMENT

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, Energy Charge, Demand Charge, Fixed Charge, and the monthly Minimum Charge.

N
N
N

COST OF ENERGY ADJUSTMENT: Does not apply.

MONTHLY MINIMUM CHARGE: Customer Charge \$3.78.

FIRST THREE YEARS: (Closed to New Customer). Three years following the date service is first supplied on this rate.

EQUIPMENT SUPPLIED: Otter Tail will supply and maintain the necessary metering and control equipment. Wiring by the customer shall be such that the meter and associated controlling devices are separate and located adjacent to each other. For large controlled loads, the customer's controllable load interrupting device may, with Otter Tail's approval, be located inside the building adjacent to the customer's main disconnects.

OTHER PROVISIONS:

1. Otter Tail Power Company recommends that the installed capacity of electric space heating equipment be sufficient to heat the structure or specified area during normal winter weather to permit maximum utilization of the rate for the benefit of the customer.
2. If the installed capacity for electric space heating is insufficient to provide adequate heating down to outdoor design temperature during normal winter months, the customer must incorporate his or her own outdoor thermostat in conjunction with Otter Tail's control equipment.
3. The Company reserves the right to substitute central control for time-temperature control and has the right to control loads on this rate during emergencies.
4. The Company shall not be liable for loss or damage caused by normal interruption of service.

PAYMENT: Refer to Payment Policy Rate Schedule, Rate Designation M-62N, superseding amendments, or provisions allowed by law.

CONTRACT PERIOD: Not less than one year, unless otherwise authorized by Otter Tail Power Company.

REGULATIONS: General Rules and Regulations govern use under this schedule.

ADJUSTMENT FOR MUNICIPAL PAYMENTS: Bills under this rate schedule may be subject to adjustment for certain payments to municipalities as provided in the General Rules and Regulations.

CONTROLLED SERVICE - DEFERRED LOAD

Rate Zones 1 & 9

Deferred Loads	44-197
Deferred Loads (Short Duration Cycling)	44-195
Penalty	44-199

APPLICATION OF SCHEDULE: This schedule is applicable for residential or commercial service to any approved permanently connected deferred loads that can be served under the limited conditions provided; such loads are primarily thermal storage. Deferred Loads may include heat pumps used for both heating and cooling. Domestic electric water heating and/or other permanently connected approved loads may be served under the provisions of this rate schedule. Electric fans, pumps or associated equipment used in the distribution of heat shall be wired for service through the customer's residential, farm, general service, or large general service meter unless approved by Otter Tail Power Company.

RATE: Customer Charge -- \$1.34 plus

Energy: 3.643¢ per kWh

Penalty: All kWh - 10.088¢ per kWh in addition to the off-peak charge.

On-Peak periods are defined as periods when the Company's control equipment has operated to provide a switching signal to switch off customer's controlled service loads during winter or summer peaking conditions. Peak usage will be recorded on the peak register, and the total register of the dual register meters. Installation of a dual register meter will be at the option of the Company.

CHANGE IN BASE COST OF ENERGY:

There shall be an adder of 1.447 cents per kWh to each energy charge in this rate schedule.

N
N

INTERIM RATE ADJUSTMENTS:

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, Energy Charge (after the increase of 1.447 cents per kWh), Demand Charge, Fixed Charge, and the monthly Minimum Charge.

N
N
N
N

CONTROL CRITERIA: Deferred loads such as thermal storage - minimum of 10 to 24 hours of service per 24-hour period. Short-duration cycling is 15-minutes off / 15-minutes on of appropriate cooling equipment during the summer season (May 1-Oct 31).

MONTHLY MINIMUM CHARGE: \$1.34

EQUIPMENT SUPPLIED: Otter Tail will supply and maintain the necessary metering and control equipment. Wiring by the customer shall be such that the meter and associated controlling devices are separate and located adjacent to each other. For large controlled loads, the customer's controllable load interrupting device may, with Otter Tail's approval, be located inside the building adjacent to the customer's main disconnects.

OTHER PROVISIONS:

1. Otter Tail Power Company recommends that the installed capacity of electric space heating equipment be sufficient to heat the structure or specified area during normal winter weather to permit maximum utilization of the rate for the benefit of the customer.
2. If the installed capacity for electric space heating is insufficient to provide adequate heating down to outdoor design temperature during normal winter months, the customer must incorporate his or her own outdoor thermostat in conjunction with Otter Tail's control equipment.
3. The Company reserves the right to substitute central control for time-temperature control and has the right to control loads on this rate during emergencies.
4. The Company shall not be liable for loss or damage caused by normal interruption of service.

COST OF ENERGY ADJUSTMENT: The energy charges under this schedule are subject to a Cost of Energy Adjustment as provided for in Rate Designation M-60N, or any amendments or superseding provisions applicable thereto.

CUSTOMER CONNECTION CHARGE: Refer to General Rules and Regulations.

PAYMENT: Refer to Payment Policy Rate Schedule, Rate Designation M-62N, superseding amendments, or provisions allowed by law.

CONTRACT PERIOD: Not less than one year, unless otherwise authorized by Otter Tail Power Company.

REGULATIONS: General Rules and Regulations govern use under this schedule.

ADJUSTMENT FOR MUNICIPAL PAYMENTS: Bills under this rate schedule may be subject to adjustment for certain payments to municipalities as provided in the General Rules and Regulations.

**FIXED TIME OF DELIVERY SERVICE
(Less Than 100 kW)**

Code 44-301

APPLICATION OF SCHEDULE:

This schedule is applicable to any customer taking service at the secondary voltage level with thermal storage space heating (or other approved) loads and having permanently connected, installed loads of less than 100 kW that are suitable for service under the limitations of the terms stated herein.

RATE:

Facilities Charge: \$3.78 per month
Energy Charge: 2.722¢ per kWh

INTERIM RATE ADJUSTMENT:

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, Energy Charge, Demand Charge, Fixed Charge, and the monthly Minimum Charge.

N
N
N

CONTROL CRITERIA:

The customer will receive electric service from 11:00 p.m. until 7:00 a.m. each day. In all other hours, the customer's load will be controlled.

ADJUSTMENTS:

Cost of Energy Adjustment will not apply. This rate will be adjusted based on competitive fuel prices, subject to Commission approval.

MINIMUM MONTHLY CHARGE: \$3.78 per month

EQUIPMENT SUPPLIED:

Otter Tail will supply and maintain the necessary metering and control equipment. Wiring by the customer shall be such that the meter and associated controlling devices are separate and located adjacent to each other. For large controlled loads, the customer's controllable load interrupting device may, with Otter Tail's permission, be located inside the building adjacent to the customer's main disconnects.

OTHER PROVISIONS:

1. Otter Tail Power Company recommends that the installed capacity of electric space heating equipment be sufficient to heat the structure or specified area during normal winter weather to permit maximum utilization of the rate for the benefit of the customer.
2. If the installed capacity for electric space heating is insufficient to provide adequate heating down to outdoor design temperature during normal winter months, the customer must incorporate his or her own outdoor thermostat in conjunction with Otter Tail's control equipment.
3. The Company reserves the right to control loads on this rate during emergencies.
4. The Company shall not be liable for loss or damage caused by normal interruption of service.

CUSTOMER CONNECTION CHARGE: Refer to Payment Policy Rate Schedule, Rate Designation M-62N.

PAYMENT: Refer to Payment Policy Rate Schedule, Rate Designation M-62N, superseding amendments, or provisions allowed by law.

CONTRACT PERIOD: Not less than one year, unless otherwise authorized by Otter Tail Power Company.

REGULATIONS: General Rules and Regulations govern use under this schedule.

ADJUSTMENT FOR MUNICIPAL PAYMENTS: Bills under this rate schedule may be subject to adjustment for certain payments to municipalities as provided in the General Rules and Regulations.

FIXED TIME OF DELIVERY SERVICE
(100 kW or More)

Code 44-302

APPLICATION OF SCHEDULE:

This schedule is applicable to any customer taking service at the secondary voltage level with thermal storage space heating (or other approved) loads and having permanently connected, installed loads of 100 kW or more that are suitable for service under the limitations of the terms stated herein.

RATE:

Facilities Charge: \$8.18 per month
Energy Charge: 2.346¢ per kWh

INTERIM RATE ADJUSTMENT:

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, Energy Charge, Demand Charge, Fixed Charge, and the monthly Minimum Charge.

N
N
N

CONTROL CRITERIA:

The customer will receive electric service from 11:00 p.m. until 7:00 a.m. each day. In all other hours, the customer's load will be controlled.

ADJUSTMENTS:

Cost of Energy Adjustment will not apply. This rate will be adjusted based on competitive fuel prices, subject to Commission approval.

MINIMUM MONTHLY CHARGE:

\$8.18 per month

EQUIPMENT SUPPLIED:

Otter Tail will supply and maintain the necessary metering and control equipment. Wiring by the customer shall be such that the meter and associated controlling devices are separate and located adjacent to each other. For large controlled loads, the customer's controllable load interrupting device may, with Otter Tail's permission, be located inside the building adjacent to the customer's main disconnects.

OTHER PROVISIONS:

1. Otter Tail Power Company recommends that the installed capacity of electric space heating equipment be sufficient to heat the structure or specified area during normal winter weather to permit maximum utilization of the rate for the benefit of the customer.
2. If the installed capacity for electric space heating is insufficient to provide adequate heating down to outdoor design temperature during normal winter months, the customer must incorporate his or her own outdoor thermostat in conjunction with Otter Tail's control equipment.
3. The Company reserves the right to control loads on this rate during emergencies.
4. The Company shall not be liable for loss or damage caused by normal interruption of service.

CUSTOMER CONNECTION CHARGE: Refer to Payment Policy Rate Schedule, Rate Designation M-62N.

PAYMENT: Refer to Payment Policy Rate Schedule, Rate Designation M-62N, superseding amendments, or provisions allowed by law.

CONTRACT PERIOD: Not less than one year, unless otherwise authorized by Otter Tail Power Company.

REGULATIONS: General Rules and Regulations govern use under this schedule.

ADJUSTMENT FOR MUNICIPAL PAYMENTS: Bills under this rate schedule may be subject to adjustment for certain payments to municipalities as provided in the General Rules and Regulations.

**FIXED TIME OF DELIVERY SERVICE
(Primary Service)**

Code 44-303

APPLICATION OF SCHEDULE:

This schedule is applicable to any customer taking service at the primary voltage level with thermal storage space heating (or other approved) loads and having permanently connected, installed loads that are suitable for service under the limitations of the terms stated herein.

RATE:

Facilities Charge: \$77.88 per month
Energy Charge: 2.018¢ per kWh

INTERIM RATE ADJUSTMENT:

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, Energy Charge, Demand Charge, Fixed Charge, and the monthly Minimum Charge.

N
N
N

CONTROL CRITERIA:

The customer will receive electric service from 11:00 p.m. until 7:00 a.m. each day. In all other hours, the customer's load will be controlled.

ADJUSTMENTS:

Cost of Energy Adjustment will not apply. This rate will be adjusted based on competitive fuel prices, subject to Commission approval.

MINIMUM MONTHLY CHARGE: \$77.88 per month

EQUIPMENT SUPPLIED:

Otter Tail will supply and maintain the necessary metering and control equipment. Wiring by the customer shall be such that the meter and associated controlling devices are separate and located adjacent to each other. For large controlled loads, the customer's controllable load interrupting device may, with Otter Tail's permission, be located inside the building adjacent to the customer's main disconnects.

OTHER PROVISIONS:

1. Otter Tail Power Company recommends that the installed capacity of electric space heating equipment be sufficient to heat the structure or specified area during normal winter weather to permit maximum utilization of the rate for the benefit of the customer.
2. If the installed capacity for electric space heating is insufficient to provide adequate heating down to outdoor design temperature during normal winter months, the customer must incorporate his or her own outdoor thermostat in conjunction with Otter Tail's control equipment.
3. The Company reserves the right to control loads on this rate during emergencies.
4. The Company shall not be liable for loss or damage caused by normal interruption of service.

CUSTOMER CONNECTION CHARGE: Refer to Payment Policy Rate Schedule, Rate Designation M-62N.

PAYMENT: Refer to Payment Policy Rate Schedule, Rate Designation M-62N, superseding amendments, or provisions allowed by law.

CONTRACT PERIOD: Not less than one year, unless otherwise authorized by Otter Tail Power Company.

REGULATIONS: General Rules and Regulations govern use under this schedule.

ADJUSTMENT FOR MUNICIPAL PAYMENTS: Bills under this rate schedule may be subject to adjustment for certain payments to municipalities as provided in the General Rules and Regulations.

**BULK INTERRUPTIBLE SERVICE
APPLICATION AND PRICING GUIDELINES**

Rate Zones 1 and 9

Code 44-680

APPLICATION OF SCHEDULE: This service will be applicable to interruptible loads of 750 kw or larger by signed contract only.

CONTRACT PERIOD AND FUTURE RESPONSIBILITIES: Contracts will be for a maximum period of five years, renewable only at the Company's option. The customer will be responsible for all energy supply after the contract period. The Company will not guarantee any energy supply to replace the bulk interruptible service after the contract expires.

ENERGY RATE DETERMINATION: An energy rate will be negotiated separately with each customer in order to maximize the margin. The minimum energy rate that will be accepted is the energy cost of service plus a margin of \$0.002 per kWh.

CHANGE IN BASE COST OF ENERGY:

There shall be an adder of 1.447 cents per kWh to each energy charge in this rate schedule.

N
N

INTERIM RATE ADJUSTMENTS:

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, Energy Charge (after the increase of 1.447 cents per kWh), Demand Charge, Fixed Charge, and the monthly Minimum Charge.

N
N
N
N

FIXED CHARGE DETERMINATION: A monthly fixed charge will be established to recover Otter Tail's investment related costs. This charge will be determined based on a monthly rate of 1.5% (18% annually) applied to the total installed cost of all Otter Tail supplied equipment.

ENERGY ESCALATION: A maximum energy escalation rate of 4% per six-month period may be established. The actual escalation rate will be determined by competitive price conditions, contract language and negotiations with the customer.

MINIMUMS: The fixed charge will constitute the minimum payment. In addition, the customer must agree to utilize electricity as long as the total cost of the electricity offered under this rate is competitive with the customer's existing alternate fuel.

OTHER PROVISIONS: Customers will be responsible for backup service when supply of bulk energy is interrupted.

Company will control the interruptions.
Company will not be liable for any loss or damage
to customer due to interruptions.

REGULATIONS: General Rules and Regulations govern use under this contract.

**SMALL POWER PRODUCER RIDER
OCCASIONAL DELIVERY ENERGY SERVICE
(Net Energy Billing Rate)**

Base Avoided Costs	Rates Zone 1 & 9	Code 9020
Base Avoided Costs plus Renewable Energy Credit	Rates Zone 1 & 9	Code 9021

AVAILABILITY: Available to any qualifying facility not exceeding 100 kW of generating capacity.

METERING CHARGE: \$1.40 per month

PAYMENT SCHEDULES: Base Avoided Costs: 3.614¢ per kWh
Base Avoided Costs plus Renewable Energy Credit: 3.839¢ per kWh

SPECIAL CONDITIONS OF SERVICE:

The minimum contracted term of service is 12 months.

REGULATIONS: General Rules and Regulations govern service under this schedule.

INTERIM RATE ADJUSTMENT:

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, Energy Charge, Demand Charge, Fixed Charge, and the monthly Minimum Charge.

N
N
N

TERMS AND CONDITIONS:

The use of this rate requires that special precautions be taken in the design of associated metering and control systems. The following terms and conditions describe these precautions and shall be followed on all customer-owned small qualifying facilities (SQF).

1. The customer will be compensated monthly for all net energy received from the SQF less the metering charge. Net energy is that energy delivered by the SQF to the Company in excess of that received by the SQF from the Company during the same billing period. The schedule for these payments is subject to annual review.
2. If the SQF is located at a site outside of the Company's service territory and energy is delivered to the Company through facilities owned by another utility, energy payments will be adjusted downward reflecting losses occurring between the point of metering and the point of delivery.
3. A separate meter will be furnished, owned and maintained by the Company to measure the energy to the Company.

NORTH DAKOTA PUBLIC
SERVICE COMMISSION
Approved: (DATE)
Case No. PU-08-

RATES EFFECTIVE with bills rendered
on and after January 2, 2009, in ND

APPROVED: Bernadeen Brutlag
Manager, Regulatory Services

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4. The SQF shall make provision for on-site metering. All energy received from and delivered to the Company shall be separately metered. On site use of the SQF output shall be unmetered for purposes of compensation.
 5. In the event the SQF desires wheeling by the Company of the SQF output, arrangements will be made subject to special consideration.
 6. The customer shall pay for any increased capacity of the distribution equipment serving him and made necessary by the installation of his generator.
 7. Power and energy purchased by the SQF from the Company shall be under the available retail rates for the purchase of electricity.
 8. The customer's 60 hertz generator output must be at the voltage and phase relationship of the existing service or of one mutually agreeable to the Company and the customer.
 9. The customer will provide equipment to maintain a unity power factor + or - 10% during periods of generator operation.
 10. The Company reserves the right to disconnect the customer's generator from its system if it interferes with the operation of the Company's equipment or with the equipment of other company customers.
 11. Prior to installation, a detailed diagram of the generator and related equipment must be furnished to the Company for its approval.
 12. The customer shall execute an electric service agreement with the Company which may include, among other provisions, a minimum term of service.
 13. The SQF shall indemnify and save harmless the Company from and against any and all claims for damages to property and injury or death to persons which may arise out of or be caused by the erection, maintenance, presence, operation or removal of the SQF or by any related act or omission of the SQF, its employees, agents, contractors or subcontractors.
 14. Equipment shall be provided by the customer that provides a positive means of preventing feedback to the Company during an outage or interruption of that system.
 15. The customer shall install, own, and maintain all equipment deemed necessary by the Company to assure proper parallel operation of the system.
 16. Any renewable energy credits associated with the renewable energy sold to the Company will be transferred to the Company and the renewable generator will be compensated an additional payment of \$2.25/MWh (\$0.00225/kWh), as shown in the payment schedule.

**SMALL POWER PRODUCER RIDER
 TIME OF DELIVERY ENERGY SERVICE**

Base Avoided On-Peak Costs	Rates Zone 1 & 9	Code 9030
Base Avoided Off-Peak Costs	Rates Zone 1 & 9	Code 9031
Base Avoided On-Peak Costs Plus Renewable Energy Credit	Rates Zone 1 & 9	Code 9032
Base Avoided Off-Peak Costs Plus Renewable Energy Credit	Rates Zone 1 & 9	Code 9033

AVAILABILITY: Available to any Qualifying Facility not exceeding 100 kW of generating capacity. Available to any Qualifying Facility exceeding 100 kW upon the approval of the Company. The Company reserves the right to require the Qualifying Facility to sign an Agreement.

METERING CHARGE: \$12.85 per month

PAYMENT SCHEDULE:

Base Avoided Costs	<u>On-Peak</u>	<u>Off-Peak</u>
Summer	3.886¢ per kWh	2.232¢ per kWh
Winter	6.049¢ per kWh	3.226¢ per kWh
Base Avoided Costs Plus Renewable Energy Credit	<u>On-Peak</u>	<u>Off-Peak</u>
Summer	4.111¢ per kWh	2.457¢ per kWh
Winter	6.274¢ per kWh	3.451¢ per kWh

SPECIAL CONDITIONS OF SERVICE:

The minimum contracted term of service is 12 months.

REGULATIONS: General Rules and Regulations govern service under this schedule.

INTERIM RATE ADJUSTMENT:

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, Energy Charge, Demand Charge, Fixed Charge, and the monthly Minimum Charge.

N
 N
 N

DEFINITIONS:

Summer On-Peak: May 1 through October 31 including those hours from 8:00 a.m. to 10:00 p.m., Monday through Friday.

Summer Off-Peak: All other hours including the three holidays of Memorial Day, Independence Day and Labor Day.

Winter On-Peak: November 1 through April 30 including those hours from 7:00 a.m. to 10:00 p.m., Monday through Friday.

Winter Off-Peak: All other hours including the three holidays of Thanksgiving Day, Christmas Day and New Years Day.

TERMS AND CONDITIONS:

The use of this rate requires that special precautions be taken in the design of associated metering and control systems. The following terms and conditions describe these precautions and shall be followed on all customer-owned small qualifying facilities (SQF).

1. The customer will be compensated monthly for all net energy received from the SQF less the metering charge. Net energy is that energy delivered by the SQF to the Company in excess of that received by the SQF from the Company during the same billing period. The schedule for these payments is subject to annual review.
2. If the SQF is located at a site outside of the Company's service territory and energy is delivered to the Company through facilities owned by another utility, energy payments will be adjusted downward reflecting losses occurring between the point of metering and the point of delivery.
3. A separate meter will be furnished, owned and maintained by the Company to measure the energy to the Company.
4. The SQF shall make provision for on-site metering. All energy received from and delivered to the Company shall be separately metered. On site use of the SQF output shall be unmetered for purposes of compensation.
5. In the event the SQF desires wheeling by the Company of the SQF output, arrangements will be made subject to special consideration.

-
6. The customer shall pay for any increased capacity of the distribution equipment serving him and made necessary by the installation of his generator.
 7. Power and energy purchased by the SQF from the Company shall be under the available retail rates for the purchase of electricity.
 8. The customer's 60 hertz generator output must be at the voltage and phase relationship of the existing service or of one mutually agreeable to the Company and the customer.
 9. The customer will provide equipment to maintain a unity power factor + or - 10% during periods of generator operation.
 10. The Company reserves the right to disconnect the customer's generator from its system if it interferes with the operation of the Company's equipment or with the equipment of other company customers.
 11. Prior to installation, a detailed diagram of the generator and related equipment must be furnished to the Company for its approval.
 12. The customer shall execute an electric service agreement with the Company which may include, among other provisions, a minimum term of service.
 13. The SQF shall indemnify and save harmless the Company from and against any and all claims for damages to property and injury or death to persons which may arise out of or be caused by the erection, maintenance, presence, operation or removal of the SQF or by any related act or omission of the SQF, its employees, agents, contractors or subcontractors.
 14. Equipment shall be provided by the customer that provides a positive means of preventing feedback to the Company during an outage or interruption of that system.
 15. The customer shall install, own and maintain all equipment deemed necessary by the Company to assure proper parallel operation of the system.
 16. Any renewable energy credits associated with the renewable energy sold to the Company will be transferred to the Company and the renewable generator will be compensated an additional payment of \$2.25/MWh (\$0.00225/kWh), as shown in the payment schedule.

**SMALL POWER PRODUCER RIDER
 DEPENDABLE SERVICE**

Base Avoided On-Peak Costs	Rates Zone 1 & 9	Code 9040
Base Avoided Off-Peak Costs	Rates Zone 1 & 9	Code 9041
Base Avoided On-Peak Costs Plus Renewable Energy Credit	Rates Zone 1 & 9	Code 9042
Base Avoided Off-Peak Costs Plus Renewable Energy Credit	Rates Zone 1 & 9	Code 9043

AVAILABILITY: Available to any qualifying facility which is capable of delivering power and energy to the Company on a dependable basis.

METERING CHARGE: \$12.85 per month

PAYMENT SCHEDULE:

ENERGY:

Base Avoided Costs	<u>On-Peak</u>	<u>Off-Peak</u>
Summer	3.886¢ per kWh	2.232¢ per kWh
Winter	6.049¢ per kWh	3.226¢ per kWh

Base Avoided Costs Plus Renewable Energy Credit	<u>On-Peak</u>	<u>Off-Peak</u>
Summer	4.111¢ per kWh	2.457¢ per kWh
Winter	6.274¢ per kWh	3.451¢ per kWh

CAPACITY:

	Monthly \$/kW	Monthly \$/kW
Contract	Net Capacity	Levelized
<u>Term</u>	<u>Rate</u>	<u>Rate</u>
60 mos.	\$7.41	\$7.41
120 mos.	7.94	7.94
180 mos.	8.45	8.45
240 mos.	8.94	8.94
300 mos.	9.40	9.40
360 mos.	9.85	9.85

Energy payment will be adjusted annually to reflect energy costs.

NORTH DAKOTA PUBLIC
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 Manager, Regulatory Services

Total capacity payment equals (accredited capacity value of the QF) times
(capacity ratio) times (appropriate leveled capacity rate).

Capacity Ratio equals $\frac{\text{Qualifying Facility on-peak capacity factor}}{65\%}$

The Capacity Ratio shall not exceed a value of 1

or

If the Qualifying Facility is dispatchable by Otter Tail
and tested under the Mid-Continent Area Power Pool guidelines,
then the capacity ratio automatically equals 1.

SPECIAL CONDITIONS OF SERVICE:

1. A qualifying facility, desiring dependable service compensation shall execute a contract agreement for a term of 5, 10, 15, 20, 25, or 30 years.
2. In the event that a qualifying facility terminates service, the Dependable Service severance penalty payment will be determined as follows:

The remaining percentage of the contract term will be multiplied by the average capacity compensation per month and the result multiplied by six months. The average capacity compensation per month will be determined for the last three years or from the contract's initiation, whichever is the shorter period.

In addition, capacity compensation from the initiation of the contract will be recalculated at the capacity payment of the longest contract term filled. The following table illustrates the longest contract term filled given the number of months that payments were made:

<u>Months of Payments</u>	<u>Contract Term Filled</u>
0 - 119	60
120 - 179	120
180 - 239	180
240 - 299	240
300 - 360	300

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Manager, Regulatory Services

SPECIAL CONDITIONS OF SERVICE:

The difference between the actual payments made and the recalculated payments must be repaid with interest. The interest rate used will be the average prime interest rate during the contract period prior to the severance.

3. Qualifying facility may select a total of 30 scheduled maintenance days per year, to be taken in two periods, neither of which shall be less than one week in duration at a time agreeable to Otter Tail. A 30-day prior notice must be given to Otter Tail before a scheduled maintenance period can be established.

Capacity payment for a monthly period in which scheduled maintenance has occurred will be the greater of the capacity payment using the regular billing procedure or the average billing capacity payment since the previous month in which a scheduled maintenance period occurred.

REGULATIONS: General Rules and Regulations govern service under this schedule.

INTERIM RATE ADJUSTMENT:

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, Energy Charge, Demand Charge, Fixed Charge, and the monthly Minimum Charge.

N
N
N

DEFINITIONS:

Dependable Service: Qualifying facility can deliver power at a minimum of 65% on-peak capacity factor in each month; can deliver power during the Company's winter and summer system peaks; and is accredited according to Section 5.2 of the Mid-Continent Area Power Pool Engineering Handbook.

Capacity Factor: The number of kilowatthours delivered during the period divided by the product of the accredited capacity times the number of hours in the period. The maximum capacity factor is 1.0.

Summer On-Peak: May 1 through October 31 including those hours from 8:00 a.m. to 10:00 p.m., Monday through Friday.

Summer Off-Peak: All other hours including the three holidays of Memorial Day, Independence Day and Labor Day.

Winter On-Peak: November 1 through April 30 including those hours from 7:00 a.m. to 10:00 p.m., Monday through Friday.

Winter Off-Peak: All other hours including the three holidays of Thanksgiving Day, Christmas Day and New Years Day.

TERMS AND CONDITIONS:

The use of this rate requires that special precautions be taken in the design of associated metering and control systems. The following terms and conditions describe these precautions and shall be followed on all customer-owned small qualifying facilities (SQF).

1. The customer will be compensated monthly for all energy received from the SQF less the metering charge. The schedule for these payments is subject to annual review.
2. If the SQF is located at a site outside of the Company's service territory and energy is delivered to the Company through facilities owned by another utility, energy payments will be adjusted downward reflecting losses occurring between the point of metering and the point of delivery.
3. A separate meter will be furnished, owned and maintained by the Company to measure the energy to the Company.
4. The SQF shall make provision for on-site metering. All energy received from and delivered to the Company shall be separately metered. On site use of the SQF output shall be unmetered for purposes of compensation.
5. In the event the SQF desires wheeling by the Company of the SQF output, arrangements will be made subject to special consideration.
6. The customer shall pay for any increased capacity of the distribution equipment serving him and made necessary by the installation of his generator.

7. Power and energy purchased by the SQF from the Company shall be under the available retail rates for the purchase of electricity.
8. The customer's 60 hertz generator output must be at the voltage and phase relationship of the existing service or of one mutually agreeable to the Company and the customer.
9. The customer will provide equipment to maintain a unity power factor + or - 10% during periods of generator operation.
10. The Company reserves the right to disconnect the customer's generator from its system if it interferes with the operation of the Company's equipment or with the equipment of other company customers.
11. Prior to installation, a detailed diagram of the generator and related equipment must be furnished to the Company for its approval.
12. The customer shall execute an electric service agreement with the Company which may include, among other provisions, a minimum term of service and generator capacity rating.
13. The SQF shall indemnify and save harmless the Company from and against any and all claims for damages to property and injury or death to persons which may arise out of or be caused by the erection, maintenance, presence, operation or removal of the SQF or by any related act or omission of the SQF, its employees, agents, contractors or subcontractors.
14. Equipment shall be provided by the customer that provides a positive means of preventing feedback to the Company during an outage or interruption of that system.
15. The customer shall install, own and maintain all equipment deemed necessary by the Company to assure proper parallel operation of the system.
16. Any renewable energy credits associated with the renewable energy sold to the Company will be transferred to the Company and the renewable generator will be compensated an additional payment of \$2.25/MWh (\$0.00225/kWh), as shown in the payment schedule.

**STANDBY SERVICE
(Under 100 kw Capacity)**

Rates Zones 1 & 9

	<u>Code</u>
Standard	918
Temperature Time of Day:	
On-Peak	919
Off-Peak	920

APPLICATION OF SCHEDULE: This schedule is applicable for standby electric service for a maximum of 800 hours per season. Capacity is to be limited to under 100 kW. A specific capacity must be requested which reflects the maximum anticipated standby service demand.

All equipment to be served must be of such voltage and electrical characteristics that it can be served from the circuit provided for the main part of the load and the electricity used properly measured by the meter ordinarily installed on such a circuit. If the equipment to be served is such that this is impossible, the customer must provide any necessary transformers, auto transformers or other devices suitable for connection to the circuit provided by the Company.

Intermittent and highly fluctuating loads requiring a separate service line or separate transformer may be served through a separate meter, on this rate, with a separate billing.

RATE:

Facilities Charge: \$10.34 for standard rate or \$12.06
for temperature-time of day.

PLUS:

Demand: \$3.22 per kW
Energy: Standard Rate 1.736¢ per kWh

OR:

Temperature-Time of Day

SUMMER

ON-PEAK
2.111¢ per kWh

OFF-PEAK
1.538¢ per kWh

WINTER

ON-PEAK
2.393¢ per kWh

OFF-PEAK
1.802¢ per kWh

INTERIM RATE ADJUSTMENTS:

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, Energy Charge, Demand Charge, Fixed Charge, and the monthly Minimum Charge.

N
N
N

MINIMUM CHARGE: Demand Charge plus Facilities Charge.

DETERMINATION OF BILLING DEMAND: The billing demand shall be the greater of the maximum quarter hour kW demand during the past 12 months or the requested kW capacity as established in the electric service agreement. Quarter hour kW demand is determined by measuring kW for any period of 15 consecutive minutes by a suitable demand meter.

DEFINITIONS:

Summer On-Peak: May 1 through October 31 including those hours from 6:00 a.m. to 10:00 p.m., Monday through Saturday when the outside temperature exceeds 80 degrees F., excluding holidays.

Summer Off-Peak: All other hours.

Winter On-Peak: November 1 through April 30 including those hours from 6:00 a.m. to 10:00 p.m., Monday through Saturday when the outside temperature is less than 0 degrees F., excluding holidays.

Winter Off-Peak: All other hours.

Holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

PAYMENT: Refer to Payment Policy Rate Schedule, Rate Designation M-62N, superseding amendments, or provisions allowed by law.

CONTRACT PERIOD: This rate is applicable only by signed agreement, setting forth the location and conditions applicable to the electric service, and providing for an initial minimum contract period of one year, unless otherwise authorized by Otter Tail.

REGULATIONS: General Rules and Regulations govern use under this schedule. Company must have a detailed wiring diagram of service connections for Company approval prior to installation.

ADJUSTMENT FOR MUNICIPAL PAYMENTS: Bills under this rate schedule may be subject to adjustment for certain payments to municipalities as provided in the General Rules and Regulations.

**STANDBY SERVICE
 (100 kW Capacity or More)**

Rates Zones 1 & 9

	<u>On-Peak Code</u>	<u>Off-Peak Code</u>
Transmission Service	921	922
Primary Service	923	924
Secondary Service	925	926

APPLICATION OF SCHEDULE: This schedule is applicable for standby electric service for a maximum of 800 hours per season. Capacity is to be 100 kW or more. A specific capacity must be requested which reflects the maximum anticipated standby service demand.

All equipment to be served must be of such voltage and electrical characteristics that it can be served from the circuit provided for the main part of the load and the electricity used properly measured by the meter ordinarily installed on such a circuit. If the equipment to be served is such that this is impossible, the customer must provide any necessary transformers, auto transformers or other devices suitable for connection to the circuit provided by the Company.

Intermittent and highly fluctuating loads requiring a separate service line or separate transformer may be served through a separate meter, on this rate, with a separate billing.

RATE:

Facilities Charge: \$25.18

PLUS:

Demand:	<u>Transmission Service</u>	<u>Primary Service</u>	<u>Secondary Service</u>
	\$3.54 per kW	\$5.22 per kW	\$5.55 per kW

Energy:

Temperature-Time of Day

SUMMER

<u>ON-PEAK</u>	<u>OFF-PEAK</u>
2.111¢ per kWh	1.538¢ per kWh

WINTER

<u>ON-PEAK</u>	<u>OFF-PEAK</u>
2.393¢ per kWh	1.802¢ per kWh

INTERIM RATE ADJUSTMENTS:

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, Energy Charge, Demand Charge, Fixed Charge, and the monthly Minimum Charge.

N
N
N

MINIMUM CHARGE: Demand Charge plus Facilities Charge.

DETERMINATION OF BILLING DEMAND: The billing demand shall be the greater of the maximum quarter hour kW demand during the past 12 months or the requested kW capacity as established in the electric service agreement. Quarter hour kW demand is determined by measuring kW for any period of 15 consecutive minutes by a suitable demand meter.

DEFINITIONS:

Summer On-Peak: May 1 through October 31 including those hours from 6:00 a.m. to 10:00 p.m., Monday through Saturday when the outside temperature exceeds 80 degrees F., excluding holidays.

Summer Off-Peak: All other hours.

Winter On-Peak: November 1 through April 30 including those hours from 6:00 a.m. to 10:00 p.m., Monday through Saturday when the outside temperature is less than 0 degrees F., excluding holidays.

Winter Off-Peak: All other hours.

Holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

PAYMENT: Refer to Payment Policy Rate Schedule, Rate Designation M-62N, superseding amendments, or provisions allowed by law.

CONTRACT PERIOD: This rate is applicable only by signed agreement, setting forth the location and conditions applicable to the electric service, and providing for an initial minimum contract period of one year, unless otherwise authorized by Otter Tail.

REGULATIONS: General Rules and Regulations govern use under this schedule. Company must have a detailed wiring diagram of service connections for Company approval prior to installation.

ADJUSTMENT FOR MUNICIPAL PAYMENTS: Bills under this rate schedule may be subject to adjustment for certain payments to municipalities as provided in the General Rules and Regulations.

IRRIGATION SERVICE

Rate Zones 1 & 9

Option 1	44-703
Option 2	
Off-Peak	44-706
Intermediate	44-705
On-Peak	44-704

AVAILABILITY: Available to customers for pumping water for irrigation of land, during the irrigation season - April 15 to November 1, subject to the rules and regulations for Irrigation Service.

CHARACTER AND CONDITIONS OF SERVICE: This rate is based upon the seasonal availability of excess capacity in the generating, transmitting, and distribution systems of the Company during the irrigation season. The Company reserves the right to interrupt this service in case of an emergency. As a condition to receiving service at this rate, the customer shall, when notified to do so, abide by such restrictions.

RATE: New customers served under this rate shall pay an annual fixed charge equal to 18% of the investment of the Company in the extension of lines, including any rebuilding or cost of capacity increase in lines or apparatus, necessitated because of the irrigation pumping load. This charge shall be reviewed if additional customers are connected to the extension within five years. An agreement will be entered into with each customer, specifying the investment necessary to supply service and the fixed charge. The annual fixed charge will be billed in five equal monthly installments May through September of each year, plus:

Option 1: Connected Load Charge - \$0.29 per horsepower per month
(May through September) and
All kWh used per month - 3.912¢ per kWh

OR

Option 2: Off-peak energy - 2.639¢ per kWh for all kWh. Off-peak rate level will apply Monday through Saturday from 7:00 p.m. to 11:00 a.m., Sunday, and holidays (Memorial Day, July 4, Labor Day).

Intermediate peak energy - 5.508¢ per kWh for all kWh. Intermediate rate level will apply Monday through Saturday from 11:00 a.m. to 7:00 p.m., except peak summer days.

On-peak energy - 7.756¢ per kWh for all kWh. On-peak rate level will apply Monday through Saturday from 11:00 a.m. to 7:00 p.m. only on days when Otter Tail is experiencing summer peak conditions. The number of hours at peak level is not expected to exceed 300 hours per season.

CHANGE IN BASE COST OF ENERGY:

There shall be an adder of 1.447 cents per kWh to each energy charge in this rate schedule.

N
N

INTERIM RATE ADJUSTMENTS:

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, Energy Charge (after the increase of 1.447 cents per kWh), Demand Charge, Fixed Charge, and the monthly Minimum Charge.

N
N
N
N

COST OF ENERGY ADJUSTMENT: The energy charges under this schedule are subject to a Cost of Energy Adjustment as provided for in Rate M-60N, or any amendments or superseding provisions applicable thereto.

PAYMENT: Refer to Payment Policy Rate Schedule, Rate Designation M-62N, superseding amendments, or provisions allowed by law.

CONTRACT PERIOD: 5 years.

SEASONAL SERVICE: The Company may, at its option, disconnect the service on or after November 1 and reconnect it prior to April 15.

REGULATIONS: General Rules and Regulations govern use under this schedule.

ADJUSTMENT FOR MUNICIPAL PAYMENTS: Bills under this rate schedule may be subject to adjustment for certain payments to municipalities as provided in the General Rules and Regulations.

**RULES AND REGULATIONS
FOR IRRIGATION SERVICE**

1. This service is available to customers legally entitled to use water for irrigation.
2. Service will be 60-cycle alternating current, single-phase or three-phase at such voltage as determined by the economically available source of supply. Motors individually rated at less than 1 horsepower will not be included in the connected load charge.
3. All installations must conform to the rules of the Company and be approved by its inspector before service is allowed.
4. The customer may be required to make a deposit to insure payment of bills when due. This deposit will be returned when service is disconnected, provided all obligations of the customer to the Company have been discharged, or it will be applied to the liquidation of the account.
5. The customer shall grant the right of free access to the customer's premises at all reasonable times, for the purpose of reading meters or inspecting any of the equipment by any of its authorized employees.
6. The customer will report the reading of his meter once each month when requested to do so by the Company.

7. Where new service is applied for, the necessary extension of lines including poles, wires, crossarms, insulators, transformers and other equipment in connection therewith, necessary to furnish service and to transmit electric energy to the customer shall be made in accordance with, and within the limitations of the policy of the Company governing such extensions, and in accordance with an agreement between the customer and the Company.

8. The customer may build or purchase the extension of lines not needed to serve other customers. The agreement between the customer and the Company shall definitely identify that portion of the extension and equipment which is the property of the customer. In that event, the cost of that portion owned by the customer will be excluded from the investment of the Company in computing the fixed charge. Operation and maintenance of the property of the customer shall be by and at the expense of the customer.

If at any time, in the opinion of the Company, that portion of the extension owned by the customer shall interfere with the operation of the Company's line, or shall be a hazard to persons or property, the Company reserves the right to discontinue service until it has been restored to a safe and proper condition.

The Company will operate and maintain the customer's line by written agreement only.

9. The Company shall have the right to transmit electric energy over any and all extensions of lines used to supply this service to other customers who shall apply for service either by connecting with existing extensions of lines or by erecting and installing new extensions of lines, providing that such service to such other customers shall not interfere with the service furnished under this schedule.

10. Because of the investment of the customer in pumping and irrigation equipment, and of the Company in the extension of lines, the Company shall enter into a written agreement with each customer to serve him at this rate and the customer shall agree to pay for service at this rate for a period of five years.

If, during the terms of such agreement, the Company shall establish a superseding rate for this service, the customer shall be billed at the superseding rate for the balance of the term of his contract and shall comply with all terms and conditions of the superseding rate. Unless there is additional investment by the Company, there shall be no change in the amount of the fixed charge during the term of such agreement regardless of the provisions of any superseding rate.

OUTDOOR LIGHTING – ENERGY ONLY

Rate Zones 1 & 9

Street and Area Lighting - Metered	44-748
Street and Area Lighting - Non-Metered	44-749

APPLICATION OF TARIFF: This tariff is applicable to both private and governmental entities. The tariff will allow the Company to sell electric energy to municipal and other outdoor area lighting customers who choose to own, install, and maintain the lighting equipment. Under the tariff, Otter Tail will provide only the electric energy.

EQUIPMENT AND SERVICE OWNERSHIP: The customer or other third party shall install and own all equipment necessary for service beyond the point of connection with Company's electrical system. The point of connection shall be at the meter or disconnect switch, for service provided either overhead or underground. The customer will be responsible for furnishing and installing a master disconnect switch at the point of connection so as to isolate the customer's equipment from Company's electrical system. The customer's disconnect switch must meet the Company's specifications.

The customer is responsible for the cost of providing maintenance on the equipment it owns. The Company reserves the right to disconnect the customer's equipment from the Company's electrical system if, in the Company's determination, the customer's lighting equipment is operated or maintained in an unsafe or improper manner.

RATE - METERED

Facilities Charge:	\$1.40 /month
Energy Charge:	\$0.05898/kWh
Minimum Monthly Charge:	\$1.40/month

RATE – NON-METERED

Monthly Charge = *Connected kW* x \$20.15, where *Connected kW* is the rated power of the lighting fixture (including ballast)

CHANGE IN BASE COST OF ENERGY:

There shall be an adder of 1.447 cents per kWh to each energy charge in this rate schedule.

N
N

INTERIM RATE ADJUSTMENTS:

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, Energy Charge (after the increase of 1.447 cents per kWh), Demand Charge, Fixed Charge, and the monthly Minimum Charge.

N
N
N
N

NORTH DAKOTA PUBLIC
SERVICE COMMISSION
Approved: (DATE)
Case No. PU-08-

EFFECTIVE with bills rendered on
and after January 2, 2009, in ND

APPROVED: Bernadeen Brutlag Manager,
Regulatory Services

SERVICE CONDITIONS: Service shall be provided off of standard distribution facilities typical of those in the general area. If it is necessary for the Company to install non-standard distribution facilities in order to provide service, the customer shall be responsible for any additional costs associated with the non-standard facilities.

As part of this tariff, the Company will provide an extension of up to one span of wire, not to exceed 300 feet.

No additional transformer capacity shall be provided without additional charges.

The customer shall indemnify, defend, and save the Company harmless from any liability, loss, or expense arising from or growing out of injury to persons, including death, or property damages incurred by persons other than the Company or the customer, which may occur on the electrical system of the customer (i.e., the customer's side of the point of connection), unless such loss is due to the negligence of Company.

Company shall have the right to periodically review the customer's lighting equipment to verify that the rated power (kW) of the non-metered fixtures is consistent with the Company's records.

PAYMENT: Refer to Payment Policy Rate Schedule, Rate Designation M-62N, any superseding amendments, or other provisions allowed by law.

REGULATIONS: The Company's General Rules and Regulations, on file with the Commission, continue to be applicable to service under this tariff.

ADJUSTMENT FOR MUNICIPAL PAYMENTS: Bills under this rate schedule may be subject to adjustment for certain payments to municipalities as provided in the General Rules and Regulations.

OUTDOOR LIGHTING

Rate Zones 1 & 9

Street and Area Lighting	44-741
Floodlighting	44-743
Sign Lighting	44-744

APPLICATION OF SCHEDULE: This schedule is applicable to any customer, including a village, town or city, for automatically operated outdoor lighting supplied and operated by the Company.

RATE:

<u>Unit Type</u>	<u>Lumen Rating</u>	<u>Monthly Charge</u>
MV-6	6,000	\$ 5.84
MV-6PT	6,000	8.33
MV-11	11,000	10.58
MV-21	21,000	13.93
MV-35	35,000	20.44
MV-55	55,000	26.13
MA-8*	8,500	7.05
MA-14*	14,000	13.42
MA-20*	20,500	15.32
MA-36*	36,000	15.00
MA-110*	110,000	32.01
*Cut off fixtures are available.		
HPS-9	9,000	6.27
HPS-9PT	9,000	8.10
HPS-14	14,000	9.76
HPS-14PT	14,000	10.44
HPS-19	19,000	11.34
HPS-23	23,000	12.83
HPS-44	44,000	15.84

FLOODLIGHTING

<u>Fixture</u>	<u>Unit Type</u>	<u>Monthly Charge</u>
400 MV-Flood	Mercury Vapor	\$14.46
400 MA-Flood	Metal Additive Mercury	15.41
400 HPS-Flood	High Pressure Sodium	15.75
1,000 MV-Flood	Mercury Vapor	25.37
1,000 MA-Flood	Metal Additive Mercury	26.76

Due to the federal Energy Policy Act of 2005, after July 1, 2008, the Company will no longer install Mercury Vapor fixtures for new installations.

NORTH DAKOTA PUBLIC
 SERVICE COMMISSION
 Approved: (DATE)
 Docket No. PU-08-

EFFECTIVE with bills rendered on
 and after January 2, 2009 in ND

APPROVED: Bernadeen Brutlag
 Manager, Regulatory Services

INTERIM RATE ADJUSTMENT:

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, Energy Charge, Demand Charge, Fixed Charge, and the monthly Minimum Charge.

N
N
N

SEASONAL CUSTOMERS: Seasonal customers will be billed at the same rate as year-around customers, except as follows:

A fixed charge of \$9.00 will be billed each seasonal customer once per season per fixture in addition to the rate provided above. The fixed charge will be included in the first bill rendered for each season.

Each customer will be billed for the number of months each season that the outdoor lighting fixture is in use, but not less than a minimum of four months, plus the seasonal fixed charge.

UNDERGROUND SERVICE: If the customer requests underground service to any outdoor lighting unit or sign, the Company will supply the equivalent of one span of underground and add an additional \$1.63 to the monthly rate specified above. If overhead service is not available, there is no additional charge. **There is no additional charge for the MV-6 PT, HPS-9 PT or the HPS-14 PT fixtures.**

SIGN LIGHTING:

Rate: \$1.58 per month for each 100 watts of lighting load supplied by unmetered electric service. Lighting load shall be determined by the lamp size plus the necessary ballast.

Equipment and Service Supplied: The Company will supply the necessary electricity to light the sign. Any necessary extension of the Company's 120-volt supply beyond one span of wire will be at the expense of the customer. The customer shall also supply the mounting point for the Company's service wires and provide the lamps and photo-electric or other device to control the operating hours and keep such equipment in good operating order.

EQUIPMENT AND SERVICE SUPPLIED BY THE COMPANY: The Company will install, own and operate a high intensity discharge light including suitable reflector or a floodlight including a lamp, bracket for mounting on wood poles with overhead wiring and photo-electric or other device to control operating hours. The light shall operate from dusk to dawn. The Company will supply the necessary electricity and maintenance for the unit. The Company will continue to own and operate existing fluorescent fixtures at the rates indicated above at specified lumen ratings.

MOUNTING LOCATION: The light shall be mounted upon a suitable new or existing Company-owned pole at which unmetered 120-volt supply is available. Any necessary extension of the Company's 120-volt supply beyond one span of wire will be at the expense of the customer.

CONTRACT PERIOD: Minimum of one year or minimum of one season. A season is defined as a minimum of four months.

PAYMENT: Refer to Payment Policy Rate Schedule, Rate Designation M-62N, superseding amendments, or provisions allowed by law.

REGULATIONS: General Rules and Regulations govern use under this schedule.

ADJUSTMENT FOR MUNICIPAL PAYMENTS: Bills under this rate schedule may be subject to adjustment for certain payments to municipalities as provided in the General Rules and Regulations.

MUNICIPAL PUMPING SERVICE

Rate Zones 1 & 9 Code 44-872

APPLICATION OF SCHEDULE: This rate schedule is available for municipal or other governmental use only. It shall apply to electric service for motor driven pumps for use at water pumping and treating plants, sewage disposal and treating plants and sewage lift stations and all lighting and other electrical requirements incidental to the operation of such plants and lift stations. Municipal buildings adjacent to, but not incidental to the pumping operation, may not be served at this rate except upon approval of Otter Tail Power Company where separate metering is not practical for a small connected load. Service shall be at the available secondary voltage, and where the electric supply is three-phase, the municipality shall provide the necessary wiring and equipment for its single phase requirements.

Where electric service is provided at an available primary voltage, billing for energy shall be reduced by 2% to compensate the municipality for transformer losses.

The rate schedule and monthly minimum shall apply to each meter in service except that where service through a meter is for electric space heating only the energy on this meter shall be added to the pumping meter for billing purposes. Seasonal service is not permitted.

RATE:

First	2500	kWh or less used per month	- 5.809¢ per kWh
Next	1500	kWh used per month	- 4.289¢ per kWh
Excess		kWh used per month	- 3.425¢ per kWh

CHANGE IN BASE COST OF ENERGY:

There shall be an adder of 1.447 cents per kWh to each energy charge in this rate schedule.

N
N

INTERIM RATE ADJUSTMENTS:

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, Energy Charge (after the increase of 1.447 cents per kWh), Demand Charge, Fixed Charge, and the monthly Minimum Charge.

N
N
N
N

MONTHLY MINIMUM CHARGE: \$3.30 for each metering point.

COST OF ENERGY ADJUSTMENT: The energy charges under this schedule are subject to a Cost of Energy Adjustment as provided for in Rate Designation M-60M, or any amendments or superseding provisions applicable thereto.

PAYMENT: Refer to Payment Policy Rate Schedule, Rate Designation M-62N, superseding amendments, or provisions allowed by law.

REGULATIONS: General Rules and Regulations govern use under this schedule.

NORTH DAKOTA PUBLIC
SERVICE COMMISSION
Approved: (DATE)
Case No. PU-08-

RATES EFFECTIVE with bills rendered
on and after January 2, 2009, in ND

APPROVED: Bernadeen Brutlag
Manager, Regulatory Services

ADJUSTMENT FOR MUNICIPAL PAYMENTS: Bills under this rate schedule may be subject to adjustment for certain payments to municipalities as provided in the General Rules and Regulations.

FIRE SIRENS

Rate Zones 1 & 9 Code 843

APPLICATION OF SCHEDULE: This schedule is applicable to separately served municipal fire sirens.

RATE: 57¢ per connected horsepower per month where the siren is served separately. Billing includes any kWh used.

INTERIM RATE ADJUSTMENT:

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, Energy Charge, Demand Charge, Fixed Charge, and the monthly Minimum Charge.

N
N
N

OTHER FIRE SIREN SERVICE: If the siren is served through the City Hall, fire hall or other meter, no separate billing shall be made for the siren, but the horsepower (or recorded demand if applicable) of the siren motor will be figured into the monthly minimum charge of the applicable rate covering service at this point.

PAYMENT: Refer to Payment Policy Rate Schedule, Rate Designation M-62N, superseding amendments, or provisions allowed by law.

ADJUSTMENT FOR MUNICIPAL PAYMENTS: Bills under this rate schedule may be subject to adjustment for certain payments to municipalities as provided in the General Rules and Regulations.

Volume 1

Interim Tariffs
Legislative

RESIDENTIAL SERVICE

	<u>RATE ZONE 1</u>	<u>RATE ZONE 9</u>
Residential Service with Water Heating	44-101	44-109
Residential Service with Direct Control Water Heating	44-111	44-119
Residential Service without Water Heating	44-121	44-129
Total Electric Heating	44-201	44-209
Total Electric Heating with Direct Control Water Heating	44-211	44-219
Supplemental Heating	44-221	44-229
Supplemental Heating with Direct Control Water Heating	44-231	44-239

APPLICATION OF SCHEDULE: This schedule is applicable for single phase service through one meter for lighting, incidental uses of appliances for heating, cooking, refrigeration, air conditioning and incidental domestic power, provided that no motor with a rated capacity in excess of 5 hp shall be served on this rate. Water heating may be served under this rate. This schedule is also applicable for space heating; if more than one-half of the customer's residence is heated by electricity, the customer shall comply with the Electric Home provisions of this rate. This schedule is applicable for service to single family dwellings and individually metered dwelling units in apartments, condominiums, town houses or mobile homes.

RATE: Customer Charge Zone 1 \$4.74 or
 Zone 9 \$5.65 plus
 First 1000 kWh used per month - 6.977¢ per kWh
 Next 1000 kWh used per month - 5.474¢ per kWh
 Excess kWh used per month - 4.675¢ per kWh

CHANGE IN BASE COST OF ENERGY:

There shall be an adder of 1.447 cents per kWh to each energy charge in this rate schedule.

N
N

INTERIM RATE ADJUSTMENTS:

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, Energy Charge (after the increase of 1.447 cents per kWh), Demand Charge, Fixed Charge, and the monthly Minimum Charge.

N
N
N
N

NORTH DAKOTA PUBLIC
 SERVICE COMMISSION
 2009, in ND
 Approved: ~~October 6, 1999~~ (DATE)
 Case No. PU-401-97-50308-
Brutlag
Delivery Manager, Regulatory Services

RATES EFFECTIVE with bills rendered
 on and after ~~November 1, 1999~~ January 2,
 APPROVED: ~~Doug Kjellerup~~ Bernadeen
Chief Operating Officer, Energy

MONTHLY MINIMUM CHARGE: Customer Charge Zone 1 \$4.74 or
Zone 9 \$5.65

WATER HEATING CREDIT: A \$2.00 credit per month shall be applied to all bills having direct control water heating.

COST OF ENERGY ADJUSTMENT: The energy charges under this schedule are subject to a Cost of Energy Adjustment as provided for in Rate M-60N, or any amendments or superseding provisions applicable thereto.

PAYMENT: Refer to Payment Policy Rate Schedule, Rate Designation M-62N, superseding amendments, or provisions allowed by law.

CONTRACT PERIOD: One year, except that service can be discontinued for a period of 30 days or more at any time upon 10 days' written notice being given by the customer to the Company.

REGULATIONS: General Rules and Regulations govern use under this schedule.

ADJUSTMENT FOR MUNICIPAL PAYMENTS: Bills under this rate schedule may be subject to adjustment for certain payments to municipalities as provided in the General Rules and Regulations.

As a requirement before this rate will be applied, the following conditions must be complied with:

Electric Home

1. The house must be adequately insulated and equipped with storm windows, storm doors, weather stripping where required or with devices of equal efficiency to insure that the heat loss from the house shall be kept at an economical minimum.
2. The Company reserves the right to reduce voltage and/or control the demand of space heating units for a reasonable period during the time of the Company's peak load.
3. Authorized employees of the Company shall be allowed full access to the plans and specifications for the house and allowed full opportunity to inspect the house and the heating and control installation.

NORTH DAKOTA PUBLIC
SERVICE COMMISSION
2009, in ND
Approved: ~~October 6, 1999~~ (DATE)
Case No. PU-401-97-50308-
Brutlag
Delivery Manager, Regulatory Services

RATES EFFECTIVE with bills rendered
on and after ~~November 1, 1999~~ January 2,
APPROVED: ~~Doug Kjellerup~~ Bernadeen
Chief Operating Officer, Energy

The Company may require that a control system capable of automatically limiting the demand of water heaters and space heaters be installed. The control system shall be of a design acceptable to the Company.

RATE ZONE 9

ADDITIONAL RATES, RULES AND REGULATIONS FOR SEASONAL AND LAKE COTTAGE SERVICE AND RESIDENTIAL SERVICE IN RURAL AREAS

1. These rates and regulations shall apply to seasonal and lake cottage service and to rural residential service only. Resorts, stores, farms and other commercial establishments will be billed at the rates provided for such classes of service.
2. Rate to year-around customers: Residential Service - Rural.
3. Seasonal customers will be billed at the same rate as year-around customers, except as follows:

A fixed charge of \$4.74 will be billed each seasonal customer in addition to the rate provided above. The fixed charge will be included in the first bill rendered for each season.

Each customer will be billed for the number of months each season that his residence or cottage is in use, but not less than a minimum of four months, plus the seasonal fixed charge. The Company will normally read meters and render a bill during the months of June, July, August and September. At the option of the Company, meters may be read at other times during the year and a bill will be rendered if energy recorded on the meter exceeds 100 kilowatthours.

Billing may be rendered on a two-month basis at the option of the Company; when the energy used exceeds 100 kilowatthours and more than 55 days have elapsed since the previous meter reading, the bill will be rendered on a two-month basis.

Seasonal customers will also be subject to a connection charge as provided in paragraphs 10 and 10(a).

4. The customer shall read the meter and report the reading to the Company within five days

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after receipt of the meter reading card when requested to do so by the Company.

5. The customer may be required to make a deposit to insure payment of bills when due. This deposit will be returned when service is disconnected, provided all obligations of the customer to the Company have been discharged, or it will be applied to the liquidation of the account.

6. The customer shall grant the right of free access to the customer's premises at all reasonable times for the purpose of reading meters or inspecting any of the electrical equipment by any of the Company's authorized employees.

7. Service will be 120/240 volts, single phase, 60-cycle, alternating current.

8. All installations must conform to the rules and specifications of the Company and be approved by its inspector before service is allowed.

9. Off-peak water heating will be billed at the rate applicable to off-peak water heating in rural areas. All installations must conform exactly to the Company's rules and regulations, and specifications.

10. Where new service is applied for, it will be supplied in accordance with and within the limitations of the applicable policy of the Company. If a connection charge has been established for a certain beach, or certain area, a new customer applying for service in such area must pay such connection charge before receiving service, in addition to the charges specified in any rate schedule at which he is served.

10(a). The connection charge for a seasonal cottage connection shall be \$40.00.

11. If farming operations are carried on, then the customer must be classed as a farm and the farm rate, or other applicable rate, be charged. Raising a garden for the customer's own use shall not be classed as farming, but any ordinary farming operations, on a commercial scale, from which the customer derives income, shall be classed as farming.

**RESIDENTIAL SERVICE
(Controlled Demand)**

Rate Zones 1 & 9 Code 44-241

APPLICATION OF SCHEDULE: This schedule is applicable to residential or farm service customers with approved demand control systems. This schedule is applicable for single phase service through one meter for lighting, incidental uses of appliances for heating, cooking, refrigeration, air conditioning and incidental domestic power. Water heating may be served under this rate. This schedule is also applicable for space heating; the customer shall comply with the Electric Home provisions of this rate if electric heat is used.

RATE: Customer Charge - \$9.38

Demand: Winter, November - April - \$7.32 per kW of billing demand.

Summer, May - October - \$3.69 per kW of billing demand.

Energy: All kWh used per month - 2.909¢ per kWh

CHANGE IN BASE COST OF ENERGY:

There shall be an adder of 1.447 cents per kWh to each energy charge in this rate schedule.

N
N

INTERIM RATE ADJUSTMENTS:

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, Energy Charge (after the increase of 1.447 cents per kWh), Demand Charge, Fixed Charge, and the monthly Minimum Charge.

N
N
N
N

MONTHLY MINIMUM CHARGE: Customer Charge - \$9.38

BILLING DEMAND DETERMINATION: The demand will be determined based on the peak 1 hour demand reading during the winter controlled period for the most recent 12 months. An estimated demand will be used for new customers until the actual controlled demand is established.

CONTROL CRITERIA: Service will be delivered without control for a minimum of 10 hours during any 24-hour period. Controlled periods will typically occur during the day Monday through Saturday when temperatures are below zero. Water heaters may also be controlled during the

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Chief Operating Officer, Energy

summer period.

COST OF ENERGY ADJUSTMENT: The energy charges under this schedule are subject to a Cost of Energy Adjustment as provided for in Rate M-60N, or any amendments or superseding provisions applicable thereto.

PAYMENT: Refer to Payment Policy Rate Schedule, Rate Designation M-62N, superseding amendments, or provisions allowed by law.

CONTRACT PERIOD: Not less than one year, unless otherwise authorized by Otter Tail Power Company.

REGULATIONS: General Rules and Regulations govern use under this schedule.

ADJUSTMENT FOR MUNICIPAL PAYMENTS: Bills under this rate schedule may be subject to adjustment for certain payments to municipalities as provided in the General Rules and Regulations.

As a requirement before this rate will be applied, the following conditions must be complied with if electric heat is used:

1. The house must be adequately insulated and equipped with storm windows, storm doors, weather stripping where required or with devices of equal efficiency to insure that the heat loss from the house shall be kept at an economical minimum.
2. The Company reserves the right to reduce voltage and/or control the demand of space heating units for a reasonable period during the time of the Company's peak load.
3. Authorized employees of the Company shall be allowed full access to the plans and specifications for the house and allowed full opportunity to inspect the house and the heating and control installation.

The Company may require that a control system capable of automatically limiting the demand of water heaters and space heaters be installed. The control system shall be of a design acceptable to the Company or one which is compatible with Otter Tail's radio load control system.

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WATER HEATING (OFF-PEAK)

Rate Zones 1 & 9 Code 44-191

APPLICATION OF SCHEDULE: This schedule is applicable for service for residential or commercial purposes under the following limitations:

1. The tank and control equipment shall be suitable for the service and acceptable to the Company.
2. The tank is to have well-insulated covering.
3. Heating elements to be controlled by the Company's load control equipment.
4. Heating elements will be controlled so that energy will be supplied during periods deemed advisable by the Company, and hours of operation may be a minimum of 10 hours during any 24-hour period.

RATE: Customer Charge \$1.34 plus
All kWh used per month - 4.015¢ per kWh

CHANGE IN BASE COST OF ENERGY:

There shall be an adder of 1.447 cents per kWh to each energy charge in this rate schedule.

N
N

INTERIM RATE ADJUSTMENTS:

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, Energy Charge (after the increase of 1.447 cents per kWh), Demand Charge, Fixed Charge, and the monthly Minimum Charge.

N
N
N
N

MONTHLY MINIMUM CHARGE: Customer Charge \$1.34

COST OF ENERGY ADJUSTMENT: The energy charges under this schedule are subject to a Cost of Energy Adjustment as provided for in Rate M-60N, or any amendments or superseding provisions applicable thereto.

PAYMENT: Refer to Payment Policy Rate Schedule, Rate Designation M-62N, superseding

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amendments, or provisions allowed by law.

CONTRACT PERIOD: One year. Service may, however, be discontinued at the customer's written request for a period of 30 days or longer.

REGULATIONS: General Rules and Regulations govern use under this schedule.

ADJUSTMENT FOR MUNICIPAL PAYMENTS: Bills under this rate schedule may be subject to adjustment for certain payments to municipalities as provided in the General Rules and Regulations.

ADDITIONAL REGULATIONS APPLYING TO WATER HEATING (OFF-PEAK)

1. Water heaters of less than 40 gallons capacity will not be served on this rate.
2. Any water heater installation with heating elements which can be energized to total over 5,500 watts at any one time requires authorization by the Company's division manager before connection to our lines.
3. The total wattage under this controlled service may be divided between an upper and a lower element, in which event both elements shall be connected to the controlled service circuit. Each element shall be controlled by a thermostat located closely adjacent to the element it controls.
4. Heating elements connected to the controlled service circuit may be used only during the hours as controlled by the Company under the provisions of this rate schedule.
5. Electrical circuits connected to the controlled service elements must be permanently wired in accordance with the Company's specifications.

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~~Chief Operating Officer, Energy~~

FARM SERVICE

Rate Zone 9

				With Direct Control <u>Water Heating</u>
Total Use	- One Meter		44-361	44-371
Option I	- Two Meters	-- Home Use	44-241	
		-- Farm Use	44-361	
Option II	- Two Meters	-- Electric Home	44-209	44-219
		-- Farm Use	44-701	

AVAILABILITY: Available for single phase service to farm customers for general farm and home uses, including lighting, incidental appliances, refrigeration, cooking and power for motors.

RATE: Customer Charge \$7.51 plus
 First 150 kWh used per month - 7.647¢ per kWh
 Next 1450 kWh used per month - 5.762¢ per kWh
 ExcesskWh used per month - 4.675¢ per kWh

CHANGE IN BASE COST OF ENERGY:

There shall be an adder of 1.447 cents per kWh to each energy charge in this rate schedule.

INTERIM RATE ADJUSTMENTS:

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, Energy Charge (after the increase of 1.447 cents per kWh), Demand Charge, Fixed Charge, and the monthly Minimum Charge.

OPTION I RATES: The electricity used in the farm home, for residential uses, will be billed at the Residential Controlled Demand Rate, if an approved controlled demand system is installed and all other rules and requirements specified for in that rate are satisfied, and the electricity used for "farm purposes" will be billed at farm rate 361, provided the customer gives notice to this effect and installs (at the customer's expense) the proper wiring necessary for separate metering of the farm home and the "farm uses."

OPTION II RATES: (Closed to new customers.) The electricity used in the farm home for total space heating and other residential uses will be billed at the Residential Rate, Zone 9, and the electricity used for "farm purposes" will be billed at 4.675¢ per kWh, provided the customer gives notice to this effect in his application and provided he separates the wiring, at his expense, to provide for separate metering of the farm home and the "farm uses."

WATER HEATING CREDIT: A \$2.00 credit per month shall be applied to all bills that have direct control water heating.

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 Chief Operating Officer, Energy

N
N
N
N
N

MONTHLY MINIMUM CHARGE: \$7.51 net in all cases where a single customer requires transformer capacity no greater than 25 kva. When more than 25 kva of transformer capacity is required, the above minimum monthly charges shall be increased at the rate of 71.797¢ for each additional kva or fraction thereof.

COST OF ENERGY ADJUSTMENT: The energy charges under this schedule are subject to a Cost of Energy Adjustment as provided for in Rate M-60N, or any amendments or superseding provisions applicable thereto.

PAYMENT: Refer to Payment Policy Rate Schedule, Rate Designation M-62N, superseding amendments, or provisions allowed by law.

FARM SERVICE (Continued)

REGULATIONS: General Rules and Regulations govern use under this schedule.

ADJUSTMENT FOR MUNICIPAL PAYMENTS: Bills under this rate schedule may be subject to adjustment for certain payments to municipalities as provided in the General Rules and Regulations.

ADDITIONAL RULES AND REGULATIONS FOR RURAL ELECTRIC SERVICE

1. Service will be 120/240 volt, single phase, 60-cycle, alternating current.
2. The Company will not connect a customer for electric service until the customer has obtained all necessary permits from the proper authorities. Service may be denied to any customer for failure to comply with the applicable requirements of these rules, or with the service regulations of the Company on file with any regulatory body having jurisdiction.
3. Customers located in rural areas shall, upon request of the Company, report the reading of his meter monthly on forms provided by the Company. The Company will verify such readings by having one of its employees read such meters at intervals of approximately 12 months.
4. The Company shall have the right to transmit electric energy over any and all extensions of lines owned by customers to be delivered to other customers who shall apply for service to be furnished either by connecting with any such existing extensions of lines or by erecting and installing a new extension of lines to connect with any such existing extension, providing that such service to any such other customer shall not interfere with the service to customers owning any such existing extensions of lines, and if it will so interfere the Company will provide and install the necessary equipment to prevent such interference, title to which additional equipment shall vest in the owners of such existing extension of lines.

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Chief Operating Officer, Energy

REGULATIONS APPLYING TO WATER HEATING

5. Electric water heaters served at this rate shall be of a design satisfactory to the Company. Wattage of elements in use at any one time shall not exceed 5,500 watts per water heater. The Company reserves the right to limit use of the heating element during time of Company's peak load.
6. The Company has provided recommendations and regulations governing the installation of electric water heaters. These regulations should be followed in order to provide the most effective and efficient use of the service.

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GENERAL SERVICE

		With Direct Control <u>Water Heating</u>
Rate Zone 1	44-401	44-451
Rate Zone 9	44-409	44-459

APPLICATION OF SCHEDULE: This schedule is applicable for 120/240-volt single and 240-volt three-phase (3 or 4-wire) electric service supplied through one meter. Three-phase service to customers located in rural areas will be supplied by contract in accordance with Otter Tail's regular policy. Service will be supplied at other available distribution voltages only upon approval by Otter Tail. This rate is not applicable for emergency, supplementary or standby service, nor for energy for resale, nor for municipal streetlighting.

All equipment to be served must be of such voltage and electrical characteristics that it can be served from the circuit provided for the main part of the load and the electricity used properly measured by the meter ordinarily installed on such a circuit. If the equipment to be served is such that this is impossible, the customer must provide any necessary transformers, auto transformers or other devices suitable for connection to the circuit provided by the Company.

Intermittent and highly fluctuating loads requiring a separate service line or separate transformer may be served through a separate meter, on this rate, with a separate billing.

RATE: Customer Charge Zone 1 \$6.65 or
Zone 9 \$7.95 plus
First 1000 kWh used per month - 9.153¢ per kWh
Next 1000 kWh used per month - 8.054¢ per kWh
Excess kWh used per month - 6.589¢ per kWh

Except all kWh in excess of 200 kWh
per month per kW of billing demand - 4.928¢ per kWh

CHANGE IN BASE COST OF ENERGY:

There shall be an adder of 1.447 cents per kWh to each energy charge in this rate schedule.

INTERIM RATE ADJUSTMENTS:

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, Energy Charge (after the increase of 1.447 cents per kWh), Demand Charge, Fixed Charge, and the monthly Minimum Charge.

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APPROVED: Doug
Chief Operating Officer, Energy

N
N
N
N
N

DISCOUNT AVAILABLE:

PRIMARY METERING -- Metering may be at primary voltage (available line voltage but not less than 2,400 volts) at the option of Otter Tail. In this event, a discount of 2% will be allowed to compensate customer for transformer losses, etc.

PRIMARY SERVICE -- 3% if transformers, associated equipment and necessary supporting structures, and other distributing facilities between the transformers and the load are supplied by the customer but metering is at secondary voltage.

PRIMARY METERING & PRIMARY SERVICE -- 5% if service is metered at primary voltage and customer supplies transformers, associated equipment and necessary supporting structures, and distributing facilities.

WATER HEATING CREDIT: A \$2.00 credit per month shall be applied to all bills that have direct control water heating.

MONTHLY MINIMUM CHARGE - Rate Zone 1 (Urban) Service Area:

\$6.65 for lighting, motors individually rated at less than one horsepower, ordinary appliances and domestic-type ranges, plus:

57.438¢ per kva for the first 20 kva of all other connected load.

28.719¢ per kva for any additional kva of other connected load.

Connected Load -- shall be the rated maximum kva operating input to each unit of equipment as determined from the nameplate. Connected load of motors shall be assumed as one kva per horsepower of nameplate rating. If a nameplate does not contain sufficient data to determine the rating, the connected load may be determined by test under maximum operating conditions.

Equipment not counted in determining connected load -- lighting, 120-volt appliances individually rated at 15 amperes or less, motors individually rated at less than one horsepower, and domestic-type ranges.

MONTHLY MINIMUM CHARGE: Rate Zone 9 - Rural Areas \$7.95 in all cases where a single customer requires transformer capacity no greater than 10 kva. When more than 10 kva of transformer capacity is required, the above minimum monthly charges shall be increased at the rate of 71.797¢ for each additional kva or fraction thereof.

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Delivery Manager, Regulatory Services

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APPROVED: ~~Doug~~
Chief Operating Officer, Energy

DETERMINATION OF DEMAND: The billing demand shall be the maximum demand in kW as measured by a maximum demand meter, for any period of 15 consecutive minutes during the month for which the bill is rendered, but in no event will it be considered less than 3 kW.

DETERMINATION OF DEMAND: (Continued)

If a major part of the load is intermittent and highly fluctuating, and of such a nature that ordinary demand meters will not register the true amount of demand required by the load, the billing demand may be computed in accordance with the Company's rules and regulations; or may be the instantaneous maximum demand computed from the nameplate rating or from tests under maximum operating conditions, or may be considered to be the rated capacity in kva of the transformers needed to serve the load satisfactorily.

If it is impractical or impossible to measure the demand and the current used with one meter or metering equipment, the Company may, at its option, install separate meters and combine the readings of such meters before applying the rate. If this is done, no allowance shall be made for diversity, but all demands and consumptions shall be added together to determine the totals on which billing will be made.

Because of the expense involved in reading and resetting demand meters in a rural area, a demand established by test during a normal period of use and this demand, if less than 10 kW, may be considered the billing demand, subject to recheck from time to time. Demands consistently exceeding 10 kW will normally be established by a demand meter read monthly.

COST OF ENERGY ADJUSTMENT: The energy charges under this schedule are subject to a Cost of Energy Adjustment as provided for in Rate Designation M-60N, or any amendments or superseding provisions applicable thereto.

PAYMENT: Refer to Payment Policy Rate Schedule, Rate Designation M-62N, superseding amendments, or provisions allowed by law.

REGULATIONS: General Rules and Regulations govern use under this schedule.

ADJUSTMENT FOR MUNICIPAL PAYMENTS: Bills under this rate schedule may be subject to adjustment for certain payments to municipalities as provided in the General Rules and Regulations.

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APPROVED: Doug
Chief Operating Officer, Energy

**GENERAL SERVICE
(Controlled Demand - Experimental)**

Rate Zone 1 & 9

On-Peak	44-433
Off-Peak	44-434

APPLICATION OF SCHEDULE: This schedule is limited to 40 general service customers. This schedule is applicable for 120/240-volt single and 240-volt three-phase (3 or 4-wire) electric service supplied through one meter. Three-phase service to customers located in rural areas will be supplied by contract in accordance with Otter Tail's regular policy. Service will be supplied at other available distribution voltages only upon approval by Otter Tail. This rate is not applicable for emergency, supplementary or standby service, nor for energy for resale, nor for municipal streetlighting. Water heating and space heating may be served under this rate.

RATE:

Facilities Charge: \$14.12

Demand:

	<u>On-Peak</u>	<u>Off-Peak</u>
Winter, November - April	\$7.51 per kW of billing demand.	\$0.96 per kW of billing demand.
Summer, May - October	\$5.60 per kW of billing demand.	\$0.96 per kW of billing demand.

Energy: All kWh used per month - 3.473¢ per kWh

CHANGE IN BASE COST OF ENERGY:

There shall be an adder of 1.447 cents per kWh to each energy charge in this rate schedule.

N
N

INTERIM RATE ADJUSTMENTS:

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, Energy Charge (after the increase of 1.447 cents per kWh), Demand Charge, Fixed Charge, and the monthly Minimum Charge.

N
N
N
N

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APPROVED: ~~Doug Kjellerup~~ Bernadeen Brutlag Chief Operating Officer, Energy Delivery Manager, Regulatory Services

BILLING DEMAND DETERMINATION: The on-peak winter demand will be based on the maximum 1 hour demand reading during the winter controlled period for the most recent 12 months. The on-peak summer demand will be based on the maximum 1 hour demand reading during the summer controlled period for the most recent 12 months. The winter off-peak demand will be based on the maximum 1 hour demand reading during the winter uncontrolled period for the most recent 12 months. The summer off-peak demand will be based on the maximum 1 hour demand reading during the summer uncontrolled period for the most recent 12 months.

CONTROL CRITERIA: Service will be delivered without control for a minimum of 10 hours during any 24-hour period. Controlled winter periods will typically occur during the day Monday through Saturday when temperatures are below zero. Controlled summer periods will typically occur during the day Monday through Saturday when temperatures are above 80 degrees.

COST OF ENERGY ADJUSTMENT: The energy charges under this schedule are subject to a Cost of Energy Adjustment as provided for in Rate Designation M-60N, or any amendments or superseding provisions applicable thereto.

PAYMENT: Refer to Payment Policy Rate Schedule, Rate Designation M-62N, superseding amendments, or provisions allowed by law.

MONTHLY MINIMUM CHARGE: \$14.12 plus the applicable on-peak and off-peak demand charge.

CONTRACT PERIOD: Not less than one year, unless otherwise authorized by Otter Tail Power Company.

REGULATIONS: General Rules and Regulations govern use under this schedule.

ADJUSTMENT FOR MUNICIPAL PAYMENTS: Bills under this rate schedule may be subject to adjustment for certain payments to municipalities as provided in the General Rules and Regulations.

As a requirement before this rate will be applied, authorized employees of the Company shall be allowed full access to the plans and specifications for the building and allowed full opportunity to inspect the building and the heating and control installation.

The Company may require that a control system capable of automatically limiting the demand of water heaters and space heaters be installed. The control system shall be of a design acceptable to the Company or one which is compatible with Otter Tail's radio control system.

**ELECTRIC CLIMATE CONTROL
(Non-Residential General Service) (Closed)
Rate Zones 1 & 9**

Rate E - not less than 10% of total 44-493
Rate E - not less than 50% of total 44-494

APPLICATION OF SCHEDULE: This schedule shall be applicable to any non-residential customer requesting electric service for heating and general service in compliance with the requirements outlined as follows:

1. The customer shall have installed and in use an approved electric space heating installation which is the sole means for heating certain specific areas, complying with Otter Tail's specifications and requirements;
2. The customer may also have installed and in use an approved air conditioning (cooling) installation which is the sole means for cooling certain specific areas, complying with Otter Tail's specifications and requirements;
3. The customer may also have installed and in use an approved electric cooking or process heating installation which is the sole means for providing heat for this equipment. Electric water heaters may be included;
4. Electric heating equipment used pursuant to either No. 1 or No. 3 above shall be resistance non-inductive type or heat pump (reverse refrigeration cycle) or combination of the two. Other types of heating equipment will be served at this rate only by special authorization.

RATE:

CUSTOMER CHARGE \$7.90 plus the minimum billing under E shall be the greater of 10% of the total kwh used during the month or 300 kwh (but not to exceed the total kwh used); except that if the space heating included in H shall be the source of heat for only a portion of the premises and shall be less than 30% of the total connected load, in that event the minimum billing under E shall be the greater of 50% of the total kwh used during the month or 300 kwh (but not to exceed the total kwh used). Except to comply with these qualifications, the rate will be applied as follows:

H. First 200 kwh used per month per installed kw of electric space heating equipment

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~~Myster~~ Bernadeen Brutlag

RATES EFFECTIVE with bills rendered
on and after ~~June 1, 1990~~ January 2, 2009,

APPROVED: ~~— Jay D.~~

~~Corporate Secretary~~ Manager, Regulatory

during the 8 heating months of January, February, March, April, May, October, November and December --

Heating - 4.832¢ per kwh

RATE:

A. C. First 200 kwh used per month for each 5,000 Btu per hour of electric air conditioning (cooling) during the 4 months of June, July, August and September --

Air Conditioning - 4.832¢ per kwh

Where the air conditioning systems cool only the same specific area heated by electricity, the Btu allowance will be based on the installed capacity of the air conditioning equipment. Where the air conditioning systems cool more than the areas heated electrically, the Btu allowance shall be based on 2,000 Btu per hour for each kw of installed heating. There shall be no Btu allowance for cooling capacity in areas not heated electrically.

C. Next 30 kwh used per month per kw of installed electric cooking, process heating, food heating and water heating equipment --

Cooking - 4.832¢ per kwh

E. Next 1000 kwh used per month - 10.354¢ per kwh
Next 1000 kwh used per month - 8.968¢ per kwh
Excess kwh used per month - 7.207¢ per kwh

All kwh included in E in excess of 200 kwh
per kw of billing demand - 5.325¢ per kwh

CHANGE IN BASE COST OF ENERGY:

There shall be an adder of 1.447 cents per kWh to each energy charge in this rate schedule.

N
N

INTERIM RATE ADJUSTMENTS:

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, Energy Charge (after the increase of 1.447 cents per kWh), Demand Charge, Fixed Charge, and the monthly Minimum Charge.

N
N
N
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NORTH DAKOTA PUBLIC
SERVICE COMMISSION
in ND
Approved: ~~May 1, 1990~~ (DATE)
Case No. ~~PU-401-90-16508-~~
~~Myster~~ Bernadeen Brutlag

RATES EFFECTIVE with bills rendered
on and after ~~June 1, 1990~~ January 2, 2009,

APPROVED: — Jay D.

Corporate Secretary/Manager, Regulatory

DISCOUNTS AVAILABLE: Discounts for Primary Service or Primary Metering are available by mutual agreement in accordance with the rule attached.

MONTHLY MINIMUM CHARGE: Customer Charge \$7.90

SERVICE SUPPLY, UTILIZATION EQUIPMENT: This schedule is applicable for 120/240 volt single and 240 volt three-phase (3 or 4 wire) electric service supplied through one meter. Service will be supplied at other available distribution voltages only upon approval by Otter Tail. This rate is not applicable for emergency, supplementary or standby service, nor for energy for resale, nor for municipal streetlighting.

All equipment to be served must be of such voltage and electrical characteristics that it can be served from the circuit provided for the main part of the load and the electricity used properly measured by the meter ordinarily installed on such a circuit. If the equipment to be served is such that this is impossible, the customer must provide any necessary transformers, auto transformers or other devices suitable for connection to the circuit provided by the Company.

Intermittent and highly fluctuating loads requiring a separate service line or separate transformer may be served through a separate meter, on this rate, with a separate billing.

DETERMINATION OF DEMAND: The billing demand shall be the maximum demand in kw, as measured by a demand meter, for any period of fifteen consecutive minutes during the month for which the bill is rendered, but in no event shall it be considered less than 10 kw. Fractions of a kw will be dropped.

If a major part of the load is intermittent and highly fluctuating, and of such a nature that ordinary demand meters will not register the true amount of demand required by the load, the billing demand may be computed in accordance with the Company's rules and regulations; or may be the instantaneous maximum demand computed from the nameplate rating or from tests under maximum operating conditions, or may be considered to be the rated capacity in kva of the transformers needed to serve the load satisfactorily.

If it is impractical or impossible to measure the demand and the current used with one meter or metering equipment, the Company may, at its option, install separate meters and combine the readings of such meters before applying the rate. If this is done, no allowance shall be made for diversity, but all demands and consumptions shall be added together to determine the totals on

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which billing will be made.

COST OF ENERGY ADJUSTMENT: The energy charges under this schedule are subject to a Cost of Energy Adjustment as provided for in Rate M-60N, or any amendments or superseding provisions applicable thereto.

TAX REFORM ACT CREDIT ADJUSTMENT: A tax credit adjustment of 4.27% shall be subtracted from all billings.

PAYMENT: Refer to Payment Policy Rate Schedule, Rate Designation M-62N, superseding amendments, or provisions allowed by law.

CONTRACT PERIOD: Not less than one year, unless otherwise authorized by Otter Tail.

REGULATIONS: For regulations governing use under this schedule, apply to the Company.

ADJUSTMENT FOR MUNICIPAL PAYMENTS: Bills under this rate schedule may be subject to adjustment for certain payments to municipalities as provided in the General Rules and Regulations.

DISCOUNTS AVAILABLE:

PRIMARY METERING - Metering may be at primary voltage (available line voltage but not less than 2,400 volts) at the option of Otter Tail. In this event, a discount of 2% will be allowed to compensate customer for transformer losses, etc.

PRIMARY SERVICE - 3% if transformers, associated equipment and necessary supporting structures, and other distributing facilities between the transformers and the load are supplied by the customer but metering is at secondary voltage.

PRIMARY METERING & PRIMARY SERVICE - 5% if service is metered at primary voltage and customer supplies transformers, associated equipment and necessary supporting structures, and distributing facilities.

SPECIAL REQUIREMENTS:

1. The specifications for an Approved Electric Space Heating Installation are as follows:

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- a. The areas considered to be heated by the electric space heating equipment shall be partitioned off or otherwise separated from areas heated by other fuels in such manner that no significant portion of the heat requirement is provided from non-electric sources.
- b. The Space Heating Equipment considered in the application of "H" shall not exceed by more than 15% the heat loss in kw of the premises heated thereby, as computed, or agreed to by Otter Tail.
- c. In a building where a significant amount of the space heating is accomplished by heat derived from other electric equipment, not specifically considered to be Space Heating Equipment, the installed kw of electric space heating equipment may be adjusted therefore or may be considered to be the heat loss of the building, as agreed to by Otter Tail.
- d. The premises must be adequately insulated and equipped with storm windows, storm doors, weather stripping where required or with devices of equal efficiency to meet established standards of the Power Company to insure that the heat loss shall be kept at an economical minimum.
- e. The space heating equipment shall be rated 240 volts (unless otherwise approved), of adequate size, properly located, so as to heat the premises to a comfortable temperature during normal winter weather experienced in this area, of a design acceptable to the Power Company, shall be permanently installed and shall be the sole source of space heating for the specific areas as designated.
- f. All space heating electricity must be supplied through the general service meter serving the customer's electrically-heated premises.
- g. Authorized employees of the Power Company shall be allowed full access to the plans and specifications for the building and allowed full opportunity to inspect the premises and the heating, cooling and control installation.

The inspection of the installation by an authorized representative of the Power Company is necessary before application of this rate is permitted.

2. The specifications for an Approved Electric Air Conditioning Installation are as follows:

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- a. Air conditioning equipment serving customer's premises and under his control must utilize electricity as the sole source of energy for the operation of such equipment.
 - b. Air conditioning equipment must be of refrigeration type utilizing compressors driven by electric motors.
3. The specifications for an Approved Electric Cooking Installation are as follows:
- a. The electric cooking equipment may be either commercial or domestic type.
 - b. Major units of equipment must be permanently wired.
 - c. Electrically heated steam tables, radiant heaters or infrared lamps or other electrical devices used for similar purposes may be considered electric cooking equipment.
 - d. Equipment considered must be in active, regular use. Duplicate reserve equipment or equipment which is infrequently used will not be included.
4. Process Heating equipment may include:
- a. Electrically heated melting pots for typecasting or similar machines.
 - b. Electrically heated equipment for heat treating of metal or metal parts, including induction heating equipment.
 - c. Electrically operated induction heating or dielectric heating equipment.
 - d. Other devices or new types of equipment may be authorized if through electric heating they perform similar work.
 - e. Equipment considered must be in active, regular use.
 - f. X-ray equipment, diathermy machines, etc., will not be included.

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LARGE GENERAL SERVICE

Rate Zones 1 & 9

Transmission Service	44-632
Primary Service	44-602
Secondary Service	44-603

APPLICATION OF SCHEDULE: This schedule is applicable upon request for single and three-phase electric service supplied through one meter. This rate is not applicable for energy for resale, nor for municipal streetlighting. Emergency, supplementary or standby service will be supplied only in accordance with the terms applying to such service.

All equipment to be served must be of such voltage and electrical characteristics that it can be served from the circuit provided for the main part of the load and the electricity used properly measured by the meter ordinarily installed on such a circuit. If the equipment to be served is such that this is impossible, the customer must provide any necessary transformers, auto transformers or other devices suitable for connection to the circuit provided by the Company.

Intermittent and highly fluctuating loads requiring a separate service line or separate transformer may be served through a separate meter, on this rate, with a separate billing.

RATE:

Demand:	<u>Transmission Service</u>	<u>Primary Service</u>	<u>Secondary Service</u>
First 100 kW of billing demand	\$7.23 /kW	\$8.04 /kW	\$8.33 /kW
Excess kW of billing demand	\$5.65 /kW	\$6.51 /kW	\$6.80 /kW

PLUS:

Energy:

All over 360 kWh per kW of billing demand	-- 2.935¢ per kWh
First 700,000 kWh	-- 3.784¢ per kWh
Excess kWh	-- 2.979¢ per kWh

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DeliveryManager, Regulatory Services

RATES EFFECTIVE with bills rendered
 on and after ~~November 1, 1999~~January 2,
 APPROVED: ~~Doug Kjellerup~~Bernadeen
~~Chief Operating Officer, Energy~~

CHANGE IN BASE COST OF ENERGY:

There shall be an adder of 1.447 cents per kWh to each energy charge in this rate schedule.

N
N

INTERIM RATE ADJUSTMENTS:

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, Energy Charge (after the increase of 1.447 cents per kWh), Demand Charge, Fixed Charge, and the monthly Minimum Charge.

N
N
N
N

MONTHLY MINIMUM CHARGE: The demand charge, computed in accordance with the terms of this rate.

DETERMINATION OF BILLING DEMAND: Otter Tail Power, at its option, will calculate the billing demand as: 1) the maximum kW as measured by a suitable demand meter for any period of 15 consecutive minutes during the months for which the bill is rendered adjusted for excess reactive demand; or 2) the standard minimum; or 3) the special billing demand as defined below.

(Standard Minimum) the greater of 80 kW or

25% of the first	500 kW plus
50% of the next	500 kW plus
75% of the excess	kW of billing demand in excess of 1000 kW, established during the preceding 11 months.

SPECIAL BILLING DEMAND: Upon customer request, Otter Tail Power may calculate the demand used for billing as the average of the previous twelve billing demands. The use of, or occurrences of, a special billing demand shall not exceed six billing months during any twelve month billing period. Otter Tail Power may agree to the use of the special billing demand upon conditions where customers have incurred, or can take advantage of, increased demand levels and the increased demand levels did not, or will not, increase Otter Tail Power's peak load. During the period under which the customer's billing demand is calculated in accordance to the provision of the Special Billing Demand, Otter Tail Power reserves the right to curtail the customer's additional demand (i.e., any demand over the special billing demand level) back to the customer's special billing demand in order to maintain the integrity of Otter Tail Power's generation and transmission systems.

ADJUSTMENT FOR EXCESS REACTIVE DEMAND: The billing demand shall be increased by one kW for each whole 10 kvar of reactive demand in excess of 50% of the measured demand in kW.

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~~Chief Operating Officer, Energy~~

Delivery Manager, Regulatory Services

METERING: If it is impractical or impossible to measure the demand and the energy used with one meter or metering equipment, Otter Tail may, at its option, install separate meters and combine the readings of such meters before applying the rate. If this is done, no allowance shall be made for diversity but all demands and consumptions shall be added together to determine the totals on which billing will be made.

EMERGENCY, SUPPLEMENTARY OR STANDBY SERVICE: Emergency, supplementary or standby service will be provided only subject to individual negotiation, in each instance.

COST OF ENERGY ADJUSTMENT: The energy charges under this schedule are subject to a Cost of Energy Adjustment as provided for in Rate M-60N, or any amendments or superseding provisions applicable thereto.

PAYMENT: Refer to Payment Policy Rate Schedule, Rate Designation M-62N, superseding amendments, or provisions allowed by law.

CONTRACT PERIOD: This rate is applicable only by signed agreement, setting forth the location and conditions applicable to the electric service, and providing for an initial minimum contract period of three years, unless otherwise authorized by Otter Tail.

REGULATIONS: General Rules and Regulations govern use under this schedule.

ADJUSTMENT FOR MUNICIPAL PAYMENTS: Bills under this rate schedule may be subject to adjustment for certain payments to municipalities as provided in the General Rules and Regulations.

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Chief Operating Officer, Energy

REAL TIME PRICING RIDER

Rates Zones 1 & 9

Transmission Service	44-660
Primary Service	44-662
Secondary Service	44-664

AVAILABILITY: This rider is available on a voluntary basis.

APPLICABILITY: This rider will be provided to any customer served under Rate Designations C-02N, C-04N, and G-01N who has maintained a measured demand of at least 200 kW during the historical period used for Customer Baseline Load (“CBL”) development.

TYPE OF SERVICE: Three phase, 60 hertz at any available standard voltage.

TERM OF SERVICE: Service under this rider shall be for a period not less than one year. The customer shall take service under this rider by either signing new electric service agreements with Otter Tail Power or by entering into amendments of existing electric service agreements. A customer who voluntarily cancels service under this rider is not eligible to receive service again under this rider for a period of one year.

PRICING METHODOLOGY: Hourly prices are determined for each day based on projections of the hourly system incremental generation costs, transmission costs, losses according to voltage level, hourly outage costs (when applicable), and profit margin.

CUSTOMER BASELINE LOAD: The Customer Baseline Load is specific to each Real Time Pricing (“RTP”) Customer and is developed using a 12-month period of hourly (8,760) energy levels (kWh) as well as the corresponding twelve monthly billing demands based on the customer's rate schedule under which it was being billed immediately prior to taking service under the RTP Rider. The customer’s CBL must be agreed to in writing by the customer as a precondition of receiving service under this rider.

CUSTOMER BASELINE LOAD:

The customer’s CBL is a representation of its typical pattern of electricity consumption and is

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Corporate Secretary/Manager,

derived from historical usage data. The CBL is used to produce the Standard Bill and from which to measure changes in consumption for purposes of billing under the RTP rider.

STANDARD BILL: The Standard Bill is calculated by applying the charges in the rate schedule under which the customer was being billed immediately prior to taking service under the RTP rider to both the customer's CBL demand (adjusted for reactive demand) and the CBL level of energy usage for each month of the RTP service year. Otter Tail Power will immediately adjust a customer's Standard Bill to reflect any changes which are approved by the North Dakota Public Service Commission to the applicable rate schedule.

BILL DETERMINATION: A Real Time Pricing bill will be rendered after each monthly billing period. The bill consists of an Administrative Charge, a Standard Bill, a charge (or credit) for consumption changes from the CBL, and an excess reactive demand charge/credit. The monthly bill is calculated using the following formula:

$$\text{RTP Bill}_{\text{Mo}} = \text{Adm. Charge} + \text{Std Bill}_{\text{Mo}} + \text{Consumption Changes from CBL}_{\text{Hr}} + \text{Excess Reactive Demand}$$

Where:

RTP Bill_{Mo} = Customer's monthly bill for service under this Rider

Adm. Chg. = See Administrative Charge section below

Std. Bill_{Mo} = See Standard Bill section above

Consumption Changes From CBL = $3 \{ \text{Price}_{\text{Hr}} \times \{ \text{Load}_{\text{Hr}} - \text{CBL}_{\text{Hr}} \} \}$

Excess Reactive Demand = See Excess Reactive Demand section below

3 = Sum over all hours of the monthly billing period

Price_{Hr} = Hourly RTP price as defined under Pricing Methodology

Load_{Hr} = Customer's actual load for each hour of the billing period

CBL_{Hr} = Customer's CBL energy usage for each hour of the billing period

ADMINISTRATIVE CHARGE: An Administrative Charge in the amount of \$180 will be applied to each monthly bill to cover billing, administrative, metering, and communication costs associated with real-time pricing.

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~~Corporate Secretary~~Manager,

CHANGE IN BASE COST OF ENERGY:

There shall be an adder of 1.447 cents per kWh to each energy charge in this rate schedule.

N
N

INTERIM RATE ADJUSTMENTS:

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, Energy Charge (after the increase of 1.447 cents per kWh), Demand Charge, Fixed Charge, and the monthly Minimum Charge.

N
N
N
N

CONSUMPTION CHANGES FROM CBL: Hourly RTP prices are applied only to the difference, determined in kWhs for each hour of the billing period, between the customer's actual energy usage and its CBL energy usage.

EXCESS REACTIVE DEMAND: The Reactive Demand shall be the maximum KVAR registered over any period of one hour during the month for which the bill is rendered. A separate charge or credit will be made on the bill to reflect incremental changes from the reactive demand used in the Standard Bill calculation.

DETERMINATION OF THE CBL:

1. Development of the customer's CBL.

For a customer who elects to take service under this RTP rider, Otter Tail Power and the customer will develop a CBL using hourly load data from a representative 12-month period. The representative hourly load data to be used will be historical data that originates within two years (24 months) of the date that the customer begins receiving service under the RTP rider.

In situations where hourly data are not available for a particular customer, a CBL will be made by using available aggregate metered usage data and load shapes from customers with similar usage patterns along with engineering and operating data provided by the Customer and which is verified by Otter Tail.

2. Calendar Mapping of the Base-Year CBL to the RTP service year.

To provide the customer with the appropriate CBL for each day of the RTP service year, each day of the base-year CBL is calendar-mapped to the corresponding day of

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the RTP service year. Calendar-mapping is a day-matching exercise performed to assure that Mondays are matched to Mondays, Tuesdays are matched to Tuesdays, holidays to holidays, and so forth. Calendar-mapping also reflects customer shutdown schedules. Calendar-mapping is performed prior to each year of RTP service, after any necessary adjustments (as defined below) are made to the CBL.

CBL ADJUSTMENTS: In order to assure that the CBL accurately reflects the energy that the customer would consume on its otherwise applicable rate schedule, adjustments to the CBL shall be made for:

1. The installation of permanent energy efficiency measures as a result of participation in Otter Tail's Conservation Improvement Project or other verifiable conservation or technology efficiency improvement measures. At any time during the RTP service year, customers can request that CBL adjustments be made to reflect efficiency improvements and that the adjustment coincide with the time of the installation or change-out.
2. The permanent removal of customer equipment or a change to operating procedures that results in a significant and permanent reduction of electrical load. At any time before or during the RTP service year, Otter Tail will make adjustments to the CBL to coincide with the time that the equipment is removed or changes to operating procedures.

CBL ADJUSTMENTS: (Continued)

3. The permanent addition of customer equipment that has been or will be made prior to the *initial* RTP service year is based upon known changes in customer usage and/or demand that are not directly related to the introduction of RTP.
4. One-time, extraordinary events such as a tornado or other natural causes or disasters outside the control of the customer or Otter Tail. In these cases, Otter Tail will make adjustments to the CBL as warranted by the circumstance.

CBL RECONTRACTING: RTP customers, at the time of initial subscription and during future re-subscription periods, shall select a recontracting Adjustment Factor that will be used in the CBL adjustment rule defined below for the next RTP service year. The Adjustment Factor shall be a number between zero and one inclusive.

After taking service under the RTP rider for one full year, the CBL for the second (and subsequent) year(s) of RTP service will be based on both the CBL and the actual load. CBLs

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will be developed for subsequent years based upon the following general rule:

$$CBL_{t+1} = CBL_t + \{ \text{Adjustment Factor} \times (\text{Actual load}_t - CBL_t) \}$$

PRICE NOTIFICATION: Otter Tail Power shall make available to customers, no later than 4:00 p.m. (Central Time) of the preceding day, hourly RTP prices for the next business day. Except for unusual periods where an outage is at high risk, Otter Tail will make prices for Saturday through Monday available to customers on the previous Friday. More than one-day-ahead pricing may also be used for the following holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving, and Christmas.

Because high-outage-risk circumstances prevent Otter Tail from projecting prices more than one day in advance, Otter Tail reserves the right to revise and make available to customers prices for Sunday, Monday, any of the holidays mentioned above, or for the day following a holiday. Any revised prices shall be made available by the usual means no later than 4:00 p.m. of the day prior to the prices taking effect.

Otter Tail is not responsible for a customer's failure to receive or obtain and act upon the hourly RTP prices. If a customer does not receive or obtain the prices made available by Otter Tail, it is the customer's responsibility to notify Otter Tail by 4:30 p.m. (Central Time) of the business day preceding the day that the prices are to take effect. Otter Tail will be responsible for notifying the customer if prices are revised.

SPECIAL PROVISIONS:

1. If there is a change in the legal identity of the customer receiving service under this RTP rider, service shall be terminated unless Otter Tail and the customer make other mutually agreeable arrangements.
2. All equipment to be served must be of such voltage and electrical characteristics so that it can be served from the circuit provided for the main part of the load and so that the electricity used can be properly measured by the meter ordinarily installed on such a circuit. If the equipment is such that it is impossible to serve from existing circuits, the customer must provide any necessary transformers, auto transformers, or any other devices so that connection can be made to the circuit provided by Otter Tail.

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3. If the customer's actual load exceeds the CBL by an amount that requires Otter Tail to install additional facilities to serve the customer, the customer will be responsible for any and all costs incurred by Otter Tail to install the facilities.

REGULATIONS: General Rules and Regulations govern use under this schedule.

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OFF-PEAK RIDER
(Applicable to Large General Service)

Rate Zones 1 & 9

Transmission Service	44-634
Primary Service	44-604
Secondary Service	44-605

AVAILABLE: To customers who make written application to the Company for operation on an off-peak basis.

RATE: Large General Service except for the following:

Billing Demand: Billed at the demand charge as specified in the rate. The billing demand shall be the greater of the maximum kW established during the "On- Peak" period for the month for which the bill is rendered;

or two-thirds of the maximum demand established during the hours from 6:00 a.m. to 8:00 a.m. and 10:00 p.m. to 12:00 midnight, Monday through Saturday of each week,

or one-half of the maximum demand established during the hours from 12:00 midnight to 6:00 a.m., Monday through Saturday of each week and from 12:01 a.m. to 12:00 midnight all day Sunday,

or not less than 75% of the highest billing demand established during the previous five months of the corresponding seasonal period.

If the billing period ends during the summer period from May 1 to October 31, the "previous five months" shall be those falling only within a summer period. If the billing period ends during the winter period from November 1 to April 30, the "previous five months" shall be those falling only within a winter period.

"On-Peak" hours: 8:00 a.m. to 10:00 p.m. Monday through Saturday of each week for both summer and winter periods.

"Off-Peak" hours and Demand: The "Off-Peak" hours shall be all those hours not falling within the hours specified as "On-Peak." Demands established during the off-peak period shall be billed only as provided for

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Chief Operating Officer, Energy

under the "Billing Demand" provision in this rider. All demands shall be adjusted for excess reactive demand as provided for in the basic rate schedule.

CHANGE IN BASE COST OF ENERGY:

There shall be an adder of 1.447 cents per kWh to each energy charge in this rate schedule.

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INTERIM RATE ADJUSTMENTS:

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, Energy Charge (after the increase of 1.447 cents per kWh), Demand Charge, Fixed Charge, and the monthly Minimum Charge.

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LARGE GENERAL SERVICE - TIME OF DAY

Rate Zones 1 & 9

	<u>On-Peak</u>	<u>Shoulder</u>	<u>Off-Peak</u>
Transmission Voltage Service	44-611	44-614	44-613
Primary Voltage Service	44-610	44-615	44-612
Secondary Voltage Service	44-639	44-637	44-640

APPLICATION OF SCHEDULE: This schedule is applicable upon request for customers with a load of at least 80 kW for single or three-phase electric service supplied through one meter. This rate is not applicable for energy for resale, municipal streetlighting, emergency, supplementary or standby service.

All equipment to be served must be of such voltage and electrical characteristics that it can be served from the circuit provided for the main part of the load and the electricity used properly measured by the meter ordinarily installed on such a circuit. If the equipment to be served is such that this is impossible, the customer must provide and maintain any necessary transformers, auto transformers or other devices suitable for connection to the circuit provided by the Company.

Intermittent and highly fluctuating loads requiring a separate service line or separate transformer may be served through a separate meter, on this rate, with a separate billing.

RATE:

	Transmission Voltage Service	Primary Voltage Service	Secondary Voltage Service
Customer Charge \$/Month	\$135.00	\$135.00	\$119.00
<u>Customer Owned Facilities</u>	<u>Required</u>	<u>Required</u>	<u>Not Required</u>
Energy Charges \$/kWh			
Winter			
Peak	\$0.0624	\$0.0685	\$0.0692
Shoulder	\$0.0427	\$0.0471	\$0.0476
Off-Peak	\$0.0119	\$0.0139	\$0.0140
Summer			
Peak	\$0.0900	\$0.1049	\$0.1061
Shoulder	\$0.0322	\$0.0366	\$0.0369
Off-Peak	\$0.0106	\$0.0127	\$0.0129

RATE (continued):

	Transmission Voltage Service	Primary Voltage Service	Secondary Voltage Service
Distribution Facilities Charge \$/kW of Annual Peak/Month			
Less than 150 kW	Not Applicable	Not Applicable	\$0.29
150 kW - 299 kW	Not Applicable	Not Applicable	\$0.20
300 kW - 499 kW	Not Applicable	Not Applicable	\$0.16
Greater than 500 kW	Not Applicable	Not Applicable	\$0.13
Power Factor Penalty \$/Excess kW per Month			
	\$6.60	\$6.60	\$7.10

Minimum Bill: Applies to all service levels - 2.5 times sum of customer and facility charges

RATE DEFINITIONS:

Customer Owned Facilities:

Transmission Voltage Service customers own the substation and all distribution facilities.

Primary Voltage Service customers own all distribution facilities dedicated to serve the customers load.

Distribution Facilities Charge: Applies to Secondary Voltage Service customers only. This monthly charge is based on customer's annual maximum metered 15-minute demand as recorded in the current or previous 11 months, but no less than 80 kW.

Power Factor Penalty: defined as one kW for each whole 10 kvar of reactive demand in excess of 50% of the peak measured demand in the billing month.

CHANGE IN BASE COST OF ENERGY:

There shall be an adder of 1.447 cents per kWh to each energy charge in this rate schedule.

N
N

INTERIM RATE ADJUSTMENTS:

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, Energy Charge (after the increase of 1.447 cents per kWh), Demand Charge, Fixed Charge, and the monthly Minimum Charge.

N
N
N
N

COST OF ENERGY ADJUSTMENT: The energy charges under this schedule are subject to a Cost of Energy Adjustment as provided for in Rate Designation M-60N, or any amendments or superseding provisions applicable

thereto.

CUSTOMER CONNECTION CHARGE: Refer to Payment Policy Rate Schedule, Rate Designation M-62N.

PAYMENT: Refer to Payment Policy Rate Schedule, Rate Designation M-62N, superseding amendments, or provisions allowed by law.

CONTRACT PERIOD: This rate is applicable only by signed agreement, setting forth the location and conditions applicable to the electric service, and providing for an initial minimum contract period of one year, unless otherwise authorized by Otter Tail.

REGULATIONS: General Rules and Regulations govern use under this schedule.

ADJUSTMENT FOR MUNICIPAL PAYMENTS: Bills under this rate schedule may be subject to adjustment for certain payments to municipalities as provided in the General Rules and Regulations.

DEFINITION OF ON-PEAK, SHOULDER AND OFF-PEAK PERIODS BY SEASON:

Summer Season: June – September billings

On-Peak: Monday – Friday, from 11:01 am to 9:00 pm

Shoulder: Monday – Friday from 9:01 am to 11:00 am and from 9:01 pm to 11:00 pm;
Saturday from 6:01 am to 10:00 pm

Off-Peak: All remaining hours.

Winter Season: October – May billings

On-Peak: Monday – Friday, from 8:01 am to 9:00 pm

Shoulder: Monday – Friday from 6:01 am to 8:00 am and from 9:01 pm to 11:00 pm;
Saturday from 6:01 am to 10:00 pm

Off-Peak: All remaining hours.

CONTROLLED SERVICE - INTERRUPTIBLE LOAD

Rate Zones 1 & 9
80 kW Capacity and Greater

Controlled Service - 80 kW Capacity & Greater	44-170
Controlled Service – 80 kW Capacity & Greater (short duration cycling)	44-165
Penalty	44-199

APPLICATION OF SCHEDULE: This schedule is applicable for residential or commercial service to any approved permanently connected interruptible load with capacity of 80 kW or greater; such loads are primarily the electric heating portion of alternate fuel heating systems. Electric heating systems may include heat pumps used for both heating and cooling. Domestic electric water heating and/or other permanently connected approved loads may be served under the provisions of this rate schedule. Electric fans, pumps or associated equipment used in the distribution of heat shall be wired for service through the customer's residential, farm, general service, or large general service meter unless approved by Otter Tail Power Company.

Alternate fuel energy heating sources, when service to space heating equipment on this rate is curtailed, cannot be electric except for approved supplemental units on the main use meter.

RATE: Customer Charge: \$4.74 plus

Energy = November - April: 2.253¢ per kWh

May - October: 2.253¢ per kWh

Penalty: All kWh - 10.088¢ per kWh in addition to the off-peak charge.

Penalty periods are defined as periods when the Company's control equipment has operated to provide a switching signal to switch off customer's controlled service loads during winter or summer peaking conditions. Penalty usage will be recorded on the peak register, and the total register of the dual register meters. Installation of a dual register meter will be at the option of the Company.

INTERIM RATE ADJUSTMENT

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, Energy Charge, Demand Charge, Fixed Charge, and the monthly Minimum Charge.

N
N
N

NORTH DAKOTA PUBLIC
SERVICE COMMISSION
in ND
Approved: ~~April 12, 2006~~ (DATE)
Case No. PU-06-~~6008-~~

RATES EFFECTIVE with bills rendered
on and after ~~April 1, 2006~~ January 2, 2009,

APPROVED: Bernadeen Brutlag
Manager, Regulatory Services

CONTROL CRITERIA: Interruptible loads, such as alternate fuel -- 0 to 24 hours service per day and 10 or more hours service to other approved deferred loads. Short-duration cycling is 15-minutes off / 15-minutes on of appropriate cooling equipment during the summer season (May 1-Oct 31).

MONTHLY MINIMUM CHARGE: Customer Charge \$4.74

EQUIPMENT SUPPLIED: Otter Tail will supply and maintain the necessary metering and control equipment. Wiring by the customer shall be such that the meter and associated controlling devices are separate and located adjacent to each other. For large controlled loads, the customer's controllable load interrupting device may, with Otter Tail's approval, be located inside the building adjacent to the customer's main disconnects.

OTHER PROVISIONS:

1. Otter Tail Power Company recommends that the installed capacity of electric space heating equipment be sufficient to heat the structure or specified area during normal winter weather to permit maximum utilization of the rate for the benefit of the customer.
2. If the installed capacity for electric space heating is insufficient to provide adequate heating down to outdoor design temperature during normal winter months, the customer must incorporate his or her own outdoor thermostat in conjunction with Otter Tail's control equipment.
3. The Company reserves the right to control loads on this rate during emergencies.
4. The Company shall not be liable for loss or damage caused by normal interruption of service.

CUSTOMER CONNECTION CHARGE: Refer to General Rules and Regulations.

PAYMENT: Refer to Payment Policy Rate Schedule, Rate Designation M-62N, superseding amendments, or provisions allowed by law.

CONTRACT PERIOD: Not less than one year, unless otherwise authorized by Otter Tail Power Company.

REGULATIONS: General Rules and Regulations govern use under this schedule.

ADJUSTMENT FOR MUNICIPAL PAYMENTS: Bills under this rate schedule may be subject to adjustment for certain payments to municipalities as provided in the General Rules and Regulations.

CONTROLLED SERVICE - INTERRUPTIBLE LOAD

Rate Zones 1 & 9
Less Than 80 kW Capacity

Controlled Loads-Less Than 80 kW Capacity	
With Credit-Closed to New Customers	44-180
Without Credit	44-190
Controlled Loads-Less than 80 kW Capacity (short duration cycling)	44-185
Penalty	44-199

APPLICATION OF SCHEDULE: This schedule is applicable for residential or commercial service to any approved permanently connected interruptible load or loads that can be served under the limited conditions provided; such loads are primarily thermal storage and the electric heating portion of alternate fuel heating systems. Electric heating systems may include heat pumps used for both heating and cooling. Domestic electric water heating and/or other permanently connected approved loads may be served under the provisions of this rate schedule. Electric fans, pumps or associated equipment used in the distribution of heat shall be wired for service through the customer's residential, farm, general service, or large general service meter unless approved by Otter Tail Power Company.

Alternate fuel energy heating sources, when service to space heating equipment on this rate is curtailed, cannot be electric except for approved supplemental units on the main use meter.

CONTROL CRITERIA: Interruptible loads, such as alternate fuel---- 0 to 24 hours per day and 10 or more hours of service to other approved deferred loads.

RATE: Customer Charge \$3.78 plus

Energy: November - April =

First 5000 kWh - 3.097¢ per kWh (less .383¢ per kWh for first three years-closed)
Excess kWh - 2.815¢ per kWh (less .67¢ per kWh for first three years-closed)

May - October =

First 1500 kWh - 2.956¢ per kWh (less .383¢ per kWh for first three years-closed)
Excess kWh - 2.675¢ per kWh (less .67¢ per kWh for first three years-closed)

Penalty: All kWh - 10.088¢ per kWh in addition to the off-peak charge.

Penalty periods are defined as periods when the Company's control equipment has operated to provide a switching signal to switch off customer's controlled service loads during winter or summer peaking conditions. Penalty usage will be recorded on the peak register, and the total register of the dual register meters. Installation of a dual

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APPROVED: Bernadeen Brutlag
Manager, Regulatory Services

register meter will be at the option of the Company.

INTERIM RATE ADJUSTMENT

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, Energy Charge, Demand Charge, Fixed Charge, and the monthly Minimum Charge.

N
N
N

COST OF ENERGY ADJUSTMENT: Does not apply.

MONTHLY MINIMUM CHARGE: Customer Charge \$3.78.

FIRST THREE YEARS: (Closed to New Customer). Three years following the date service is first supplied on this rate.

EQUIPMENT SUPPLIED: Otter Tail will supply and maintain the necessary metering and control equipment. Wiring by the customer shall be such that the meter and associated controlling devices are separate and located adjacent to each other. For large controlled loads, the customer's controllable load interrupting device may, with Otter Tail's approval, be located inside the building adjacent to the customer's main disconnects.

OTHER PROVISIONS:

1. Otter Tail Power Company recommends that the installed capacity of electric space heating equipment be sufficient to heat the structure or specified area during normal winter weather to permit maximum utilization of the rate for the benefit of the customer.
2. If the installed capacity for electric space heating is insufficient to provide adequate heating down to outdoor design temperature during normal winter months, the customer must incorporate his or her own outdoor thermostat in conjunction with Otter Tail's control equipment.
3. The Company reserves the right to substitute central control for time-temperature control and has the right to control loads on this rate during emergencies.
4. The Company shall not be liable for loss or damage caused by normal interruption of service.

PAYMENT: Refer to Payment Policy Rate Schedule, Rate Designation M-62N, superseding amendments, or provisions allowed by law.

CONTRACT PERIOD: Not less than one year, unless otherwise authorized by Otter Tail Power Company.

REGULATIONS: General Rules and Regulations govern use under this schedule.

ADJUSTMENT FOR MUNICIPAL PAYMENTS: Bills under this rate schedule may be subject to adjustment for certain payments to municipalities as provided in the General Rules and Regulations.

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APPROVED: Bernadeen Brutlag
Manager, Regulatory Services

CONTROLLED SERVICE - DEFERRED LOAD

Rate Zones 1 & 9

Deferred Loads	44-197
Deferred Loads (Short Duration Cycling)	44-195
Penalty	44-199

APPLICATION OF SCHEDULE: This schedule is applicable for residential or commercial service to any approved permanently connected deferred loads that can be served under the limited conditions provided; such loads are primarily thermal storage. Deferred Loads may include heat pumps used for both heating and cooling. Domestic electric water heating and/or other permanently connected approved loads may be served under the provisions of this rate schedule. Electric fans, pumps or associated equipment used in the distribution of heat shall be wired for service through the customer's residential, farm, general service, or large general service meter unless approved by Otter Tail Power Company.

RATE: Customer Charge -- \$1.34 plus

Energy: 3.643¢ per kWh

Penalty: All kWh - 10.088¢ per kWh in addition to the off-peak charge.

On-Peak periods are defined as periods when the Company's control equipment has operated to provide a switching signal to switch off customer's controlled service loads during winter or summer peaking conditions. Peak usage will be recorded on the peak register, and the total register of the dual register meters. Installation of a dual register meter will be at the option of the Company.

CHANGE IN BASE COST OF ENERGY:

There shall be an adder of 1.447 cents per kWh to each energy charge in this rate schedule.

N
N

INTERIM RATE ADJUSTMENTS:

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, Energy Charge (after the increase of 1.447 cents per kWh), Demand Charge, Fixed Charge, and the monthly Minimum Charge.

N
N
N
N

CONTROL CRITERIA: Deferred loads such as thermal storage - minimum of 10 to 24 hours of service per 24-hour period. Short-duration cycling is 15-minutes off / 15-minutes on of appropriate cooling equipment during the summer season (May 1-Oct 31).

MONTHLY MINIMUM CHARGE: \$1.34

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APPROVED: Bernadeen Brutlag
Manager, Regulatory Services

EQUIPMENT SUPPLIED: Otter Tail will supply and maintain the necessary metering and control equipment. Wiring by the customer shall be such that the meter and associated controlling devices are separate and located adjacent to each other. For large controlled loads, the customer's controllable load interrupting device may, with Otter Tail's approval, be located inside the building adjacent to the customer's main disconnects.

OTHER PROVISIONS:

1. Otter Tail Power Company recommends that the installed capacity of electric space heating equipment be sufficient to heat the structure or specified area during normal winter weather to permit maximum utilization of the rate for the benefit of the customer.
2. If the installed capacity for electric space heating is insufficient to provide adequate heating down to outdoor design temperature during normal winter months, the customer must incorporate his or her own outdoor thermostat in conjunction with Otter Tail's control equipment.
3. The Company reserves the right to substitute central control for time-temperature control and has the right to control loads on this rate during emergencies.
4. The Company shall not be liable for loss or damage caused by normal interruption of service.

COST OF ENERGY ADJUSTMENT: The energy charges under this schedule are subject to a Cost of Energy Adjustment as provided for in Rate Designation M-60N, or any amendments or superseding provisions applicable thereto.

CUSTOMER CONNECTION CHARGE: Refer to General Rules and Regulations.

PAYMENT: Refer to Payment Policy Rate Schedule, Rate Designation M-62N, superseding amendments, or provisions allowed by law.

CONTRACT PERIOD: Not less than one year, unless otherwise authorized by Otter Tail Power Company.

REGULATIONS: General Rules and Regulations govern use under this schedule.

ADJUSTMENT FOR MUNICIPAL PAYMENTS: Bills under this rate schedule may be subject to adjustment for certain payments to municipalities as provided in the General Rules and Regulations.

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APPROVED: Bernadeen Brutlag
Manager, Regulatory Services

**FIXED TIME OF DELIVERY SERVICE
(Less Than 100 kW)**

Code 44-301

APPLICATION OF SCHEDULE:

This schedule is applicable to any customer taking service at the secondary voltage level with thermal storage space heating (or other approved) loads and having permanently connected, installed loads of less than 100 kW that are suitable for service under the limitations of the terms stated herein.

RATE:

Facilities Charge: \$3.78 per month
Energy Charge: 2.722¢ per kWh

INTERIM RATE ADJUSTMENT:

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, Energy Charge, Demand Charge, Fixed Charge, and the monthly Minimum Charge.

N
N
N

CONTROL CRITERIA:

The customer will receive electric service from 11:00 p.m. until 7:00 a.m. each day. In all other hours, the customer's load will be controlled.

ADJUSTMENTS:

Cost of Energy Adjustment will not apply. This rate will be adjusted based on competitive fuel prices, subject to Commission approval.

MINIMUM MONTHLY CHARGE: \$3.78 per month

EQUIPMENT SUPPLIED:

Otter Tail will supply and maintain the necessary metering and control equipment. Wiring by the customer shall be such that the meter and associated controlling devices are separate and located adjacent to each other. For large controlled loads, the customer's controllable load interrupting device may, with Otter Tail's permission, be located inside the building adjacent to the customer's main disconnects.

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Case No. PU-401-97-50308-
Brutlag

RATES EFFECTIVE with bills rendered
on and after ~~November 1, 1999~~ January 2,

APPROVED: ~~Doug Kjellerup~~ Bernadeen

Chief Operating Officer, Energy

Delivery Manager, Regulatory Services

OTHER PROVISIONS:

1. Otter Tail Power Company recommends that the installed capacity of electric space heating equipment be sufficient to heat the structure or specified area during normal winter weather to permit maximum utilization of the rate for the benefit of the customer.
2. If the installed capacity for electric space heating is insufficient to provide adequate heating down to outdoor design temperature during normal winter months, the customer must incorporate his or her own outdoor thermostat in conjunction with Otter Tail's control equipment.
3. The Company reserves the right to control loads on this rate during emergencies.
4. The Company shall not be liable for loss or damage caused by normal interruption of service.

CUSTOMER CONNECTION CHARGE: Refer to Payment Policy Rate Schedule, Rate Designation M-62N.

PAYMENT: Refer to Payment Policy Rate Schedule, Rate Designation M-62N, superseding amendments, or provisions allowed by law.

CONTRACT PERIOD: Not less than one year, unless otherwise authorized by Otter Tail Power Company.

REGULATIONS: General Rules and Regulations govern use under this schedule.

ADJUSTMENT FOR MUNICIPAL PAYMENTS: Bills under this rate schedule may be subject to adjustment for certain payments to municipalities as provided in the General Rules and Regulations.

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Delivery Manager, Regulatory Services

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on and after ~~November 1, 1999~~January 2,
APPROVED: ~~Doug Kjellerup~~Bernadeen
Chief Operating Officer, Energy

**FIXED TIME OF DELIVERY SERVICE
(100 kW or More)**

Code 44-302

APPLICATION OF SCHEDULE:

This schedule is applicable to any customer taking service at the secondary voltage level with thermal storage space heating (or other approved) loads and having permanently connected, installed loads of 100 kW or more that are suitable for service under the limitations of the terms stated herein.

RATE:

Facilities Charge: \$8.18 per month
Energy Charge: 2.346¢ per kWh

INTERIM RATE ADJUSTMENT:

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, Energy Charge, Demand Charge, Fixed Charge, and the monthly Minimum Charge.

N
N
N

CONTROL CRITERIA:

The customer will receive electric service from 11:00 p.m. until 7:00 a.m. each day. In all other hours, the customer's load will be controlled.

ADJUSTMENTS:

Cost of Energy Adjustment will not apply. This rate will be adjusted based on competitive fuel prices, subject to Commission approval.

MINIMUM MONTHLY CHARGE:

\$8.18 per month

EQUIPMENT SUPPLIED:

Otter Tail will supply and maintain the necessary metering and control equipment. Wiring by the customer shall be such that the meter and associated controlling devices are separate and located adjacent to each other. For large controlled loads, the customer's controllable load interrupting device may, with Otter Tail's permission, be located inside the building adjacent to the customer's main disconnects.

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on and after ~~November 1, 1999~~January 2,

APPROVED: ~~Doug Kjellerup~~Bernadeen

Chief Operating Officer, Energy

Delivery Manager, Regulatory Services

OTHER PROVISIONS:

1. Otter Tail Power Company recommends that the installed capacity of electric space heating equipment be sufficient to heat the structure or specified area during normal winter weather to permit maximum utilization of the rate for the benefit of the customer.
2. If the installed capacity for electric space heating is insufficient to provide adequate heating down to outdoor design temperature during normal winter months, the customer must incorporate his or her own outdoor thermostat in conjunction with Otter Tail's control equipment.
3. The Company reserves the right to control loads on this rate during emergencies.
4. The Company shall not be liable for loss or damage caused by normal interruption of service.

CUSTOMER CONNECTION CHARGE: Refer to Payment Policy Rate Schedule, Rate Designation M-62N.

PAYMENT: Refer to Payment Policy Rate Schedule, Rate Designation M-62N, superseding amendments, or provisions allowed by law.

CONTRACT PERIOD: Not less than one year, unless otherwise authorized by Otter Tail Power Company.

REGULATIONS: General Rules and Regulations govern use under this schedule.

ADJUSTMENT FOR MUNICIPAL PAYMENTS: Bills under this rate schedule may be subject to adjustment for certain payments to municipalities as provided in the General Rules and Regulations.

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APPROVED: ~~Doug Kjellerup~~Bernadeen
Chief Operating Officer, Energy

**FIXED TIME OF DELIVERY SERVICE
(Primary Service)**

Code 44-303

APPLICATION OF SCHEDULE:

This schedule is applicable to any customer taking service at the primary voltage level with thermal storage space heating (or other approved) loads and having permanently connected, installed loads that are suitable for service under the limitations of the terms stated herein.

RATE:

Facilities Charge: \$77.88 per month
Energy Charge: 2.018¢ per kWh

INTERIM RATE ADJUSTMENT:

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, Energy Charge, Demand Charge, Fixed Charge, and the monthly Minimum Charge.

N
N
N

CONTROL CRITERIA:

The customer will receive electric service from 11:00 p.m. until 7:00 a.m. each day. In all other hours, the customer's load will be controlled.

ADJUSTMENTS:

Cost of Energy Adjustment will not apply. This rate will be adjusted based on competitive fuel prices, subject to Commission approval.

MINIMUM MONTHLY CHARGE: \$77.88 per month

EQUIPMENT SUPPLIED:

Otter Tail will supply and maintain the necessary metering and control equipment. Wiring by the customer shall be such that the meter and associated controlling devices are separate and located adjacent to each other. For large controlled loads, the customer's controllable load interrupting device may, with Otter Tail's permission, be located inside the building adjacent to the customer's main disconnects.

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APPROVED: ~~Doug Kjellerup~~Bernadeen

Chief Operating Officer, Energy

Delivery Manager, Regulatory Services

OTHER PROVISIONS:

1. Otter Tail Power Company recommends that the installed capacity of electric space heating equipment be sufficient to heat the structure or specified area during normal winter weather to permit maximum utilization of the rate for the benefit of the customer.
2. If the installed capacity for electric space heating is insufficient to provide adequate heating down to outdoor design temperature during normal winter months, the customer must incorporate his or her own outdoor thermostat in conjunction with Otter Tail's control equipment.
3. The Company reserves the right to control loads on this rate during emergencies.
4. The Company shall not be liable for loss or damage caused by normal interruption of service.

CUSTOMER CONNECTION CHARGE: Refer to Payment Policy Rate Schedule, Rate Designation M-62N.

PAYMENT: Refer to Payment Policy Rate Schedule, Rate Designation M-62N, superseding amendments, or provisions allowed by law.

CONTRACT PERIOD: Not less than one year, unless otherwise authorized by Otter Tail Power Company.

REGULATIONS: General Rules and Regulations govern use under this schedule.

ADJUSTMENT FOR MUNICIPAL PAYMENTS: Bills under this rate schedule may be subject to adjustment for certain payments to municipalities as provided in the General Rules and Regulations.

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Brutlag
Delivery Manager, Regulatory Services

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APPROVED: ~~Doug Kjellerup~~Bernadeen
Chief Operating Officer, Energy

**BULK INTERRUPTIBLE SERVICE
APPLICATION AND PRICING GUIDELINES**

Rate Zones 1 and 9

Code 44-680

APPLICATION OF SCHEDULE: This service will be applicable to interruptible loads of 750 kw or larger by signed contract only.

CONTRACT PERIOD AND FUTURE RESPONSIBILITIES: Contracts will be for a maximum period of five years, renewable only at the Company's option. The customer will be responsible for all energy supply after the contract period. The Company will not guarantee any energy supply to replace the bulk interruptible service after the contract expires.

ENERGY RATE DETERMINATION: An energy rate will be negotiated separately with each customer in order to maximize the margin. The minimum energy rate that will be accepted is the energy cost of service plus a margin of \$0.002 per kWh.

CHANGE IN BASE COST OF ENERGY:

There shall be an adder of 1.447 cents per kWh to each energy charge in this rate schedule.

N
N

INTERIM RATE ADJUSTMENTS:

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, Energy Charge (after the increase of 1.447 cents per kWh), Demand Charge, Fixed Charge, and the monthly Minimum Charge.

N
N
N
N

FIXED CHARGE DETERMINATION: A monthly fixed charge will be established to recover Otter Tail's investment related costs. This charge will be determined based on a monthly rate of 1.5% (18% annually) applied to the total installed cost of all Otter Tail supplied equipment.

ENERGY ESCALATION: A maximum energy escalation rate of 4% per six-month period may be established. The actual escalation rate will be determined by competitive price conditions, contract language and negotiations with the customer.

MINIMUMS: The fixed charge will constitute the minimum payment. In addition, the customer must agree to utilize electricity as long as the total cost of the electricity offered under this rate is competitive with the customer's existing alternate fuel.

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APPROVED: ~~Doug Kjellerup~~Bernadeen
Chief Operating Officer, Energy

OTHER PROVISIONS: Customers will be responsible for backup service when supply of bulk energy is interrupted.

Company will control the interruptions.
Company will not be liable for any loss or damage
to customer due to interruptions.

REGULATIONS: General Rules and Regulations govern use under this contract.

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APPROVED: ~~Doug Kjellerup~~Bernadeen

Chief Operating Officer, Energy

**SMALL POWER PRODUCER RIDER
OCCASIONAL DELIVERY ENERGY SERVICE
(Net Energy Billing Rate)**

Base Avoided Costs	Rates Zone 1 & 9	Code 9020
Base Avoided Costs plus Renewable Energy Credit	Rates Zone 1 & 9	Code 9021

AVAILABILITY: Available to any qualifying facility not exceeding 100 kW of generating capacity.

METERING CHARGE: \$1.40 per month

PAYMENT SCHEDULES: Base Avoided Costs: 3.614¢ per kWh
Base Avoided Costs plus Renewable Energy Credit: 3.839¢ per kWh

SPECIAL CONDITIONS OF SERVICE:

The minimum contracted term of service is 12 months.

REGULATIONS: General Rules and Regulations govern service under this schedule.

INTERIM RATE ADJUSTMENT:

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, Energy Charge, Demand Charge, Fixed Charge, and the monthly Minimum Charge.

N
N
N

TERMS AND CONDITIONS:

The use of this rate requires that special precautions be taken in the design of associated metering and control systems. The following terms and conditions describe these precautions and shall be followed on all customer-owned small qualifying facilities (SQF).

1. The customer will be compensated monthly for all net energy received from the SQF less the metering charge. Net energy is that energy delivered by the SQF to the Company in excess of that received by the SQF from the Company during the same billing period. The schedule for these payments is subject to annual review.
2. If the SQF is located at a site outside of the Company's service territory and energy is delivered to the Company through facilities owned by another utility, energy payments will be adjusted downward reflecting losses occurring between the point of metering and the point of delivery.
3. A separate meter will be furnished, owned and maintained by the Company to measure the energy to the Company.

NORTH DAKOTA PUBLIC
SERVICE COMMISSION

Approved: ~~January 30, 2008~~ (DATE)
Case No. PU-08-35

RATES EFFECTIVE with bills rendered
on and after ~~February 1, 2008~~ January 2,
2009, in ND

APPROVED: Bernadeen Brutlag
Manager, Regulatory Services

-
4. The SQF shall make provision for on-site metering. All energy received from and delivered to the Company shall be separately metered. On site use of the SQF output shall be unmetered for purposes of compensation.
 5. In the event the SQF desires wheeling by the Company of the SQF output, arrangements will be made subject to special consideration.
 6. The customer shall pay for any increased capacity of the distribution equipment serving him and made necessary by the installation of his generator.
 7. Power and energy purchased by the SQF from the Company shall be under the available retail rates for the purchase of electricity.
 8. The customer's 60 hertz generator output must be at the voltage and phase relationship of the existing service or of one mutually agreeable to the Company and the customer.
 9. The customer will provide equipment to maintain a unity power factor + or - 10% during periods of generator operation.
 10. The Company reserves the right to disconnect the customer's generator from its system if it interferes with the operation of the Company's equipment or with the equipment of other company customers.
 11. Prior to installation, a detailed diagram of the generator and related equipment must be furnished to the Company for its approval.
 12. The customer shall execute an electric service agreement with the Company which may include, among other provisions, a minimum term of service.
 13. The SQF shall indemnify and save harmless the Company from and against any and all claims for damages to property and injury or death to persons which may arise out of or be caused by the erection, maintenance, presence, operation or removal of the SQF or by any related act or omission of the SQF, its employees, agents, contractors or subcontractors.
 14. Equipment shall be provided by the customer that provides a positive means of preventing feedback to the Company during an outage or interruption of that system.
 15. The customer shall install, own, and maintain all equipment deemed necessary by the Company to assure proper parallel operation of the system.
 16. Any renewable energy credits associated with the renewable energy sold to the Company will be transferred to the Company and the renewable generator will be compensated an additional payment of \$2.25/MWh (\$0.00225/kWh), as shown in the payment schedule.
-

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Manager, Regulatory Services

**SMALL POWER PRODUCER RIDER
 TIME OF DELIVERY ENERGY SERVICE**

Base Avoided On-Peak Costs	Rates Zone 1 & 9	Code 9030
Base Avoided Off-Peak Costs	Rates Zone 1 & 9	Code 9031
Base Avoided On-Peak Costs Plus Renewable Energy Credit	Rates Zone 1 & 9	Code 9032
Base Avoided Off-Peak Costs Plus Renewable Energy Credit	Rates Zone 1 & 9	Code 9033

AVAILABILITY: Available to any Qualifying Facility not exceeding 100 kW of generating capacity. Available to any Qualifying Facility exceeding 100 kW upon the approval of the Company. The Company reserves the right to require the Qualifying Facility to sign an Agreement.

METERING CHARGE: \$12.85 per month

PAYMENT SCHEDULE:

Base Avoided Costs	<u>On-Peak</u>	<u>Off-Peak</u>
Summer	3.886¢ per kWh	2.232¢ per kWh
Winter	6.049¢ per kWh	3.226¢ per kWh

Base Avoided Costs Plus Renewable Energy Credit	<u>On-Peak</u>	<u>Off-Peak</u>
Summer	4.111¢ per kWh	2.457¢ per kWh
Winter	6.274¢ per kWh	3.451¢ per kWh

SPECIAL CONDITIONS OF SERVICE:

The minimum contracted term of service is 12 months.

REGULATIONS: General Rules and Regulations govern service under this schedule.

INTERIM RATE ADJUSTMENT:

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, Energy Charge, Demand Charge, Fixed Charge, and the monthly Minimum Charge.

N
N
N

NORTH DAKOTA PUBLIC
 SERVICE COMMISSION

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 Case No. PU-08-35

APPROVED: Bernadeen Brutlag
 Manager, Regulatory Services

DEFINITIONS:

Summer On-Peak: May 1 through October 31 including those hours from 8:00 a.m. to 10:00 p.m., Monday through Friday.

Summer Off-Peak: All other hours including the three holidays of Memorial Day, Independence Day and Labor Day.

Winter On-Peak: November 1 through April 30 including those hours from 7:00 a.m. to 10:00 p.m., Monday through Friday.

Winter Off-Peak: All other hours including the three holidays of Thanksgiving Day, Christmas Day and New Years Day.

TERMS AND CONDITIONS:

The use of this rate requires that special precautions be taken in the design of associated metering and control systems. The following terms and conditions describe these precautions and shall be followed on all customer-owned small qualifying facilities (SQF).

1. The customer will be compensated monthly for all net energy received from the SQF less the metering charge. Net energy is that energy delivered by the SQF to the Company in excess of that received by the SQF from the Company during the same billing period. The schedule for these payments is subject to annual review.
2. If the SQF is located at a site outside of the Company's service territory and energy is delivered to the Company through facilities owned by another utility, energy payments will be adjusted downward reflecting losses occurring between the point of metering and the point of delivery.
3. A separate meter will be furnished, owned and maintained by the Company to measure the energy to the Company.
4. The SQF shall make provision for on-site metering. All energy received from and delivered to the Company shall be separately metered. On site use of the SQF output shall be unmetered for purposes of compensation.

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Manager, Regulatory Services

-
5. In the event the SQF desires wheeling by the Company of the SQF output, arrangements will be made subject to special consideration.
 6. The customer shall pay for any increased capacity of the distribution equipment serving him and made necessary by the installation of his generator.
 7. Power and energy purchased by the SQF from the Company shall be under the available retail rates for the purchase of electricity.
 8. The customer's 60 hertz generator output must be at the voltage and phase relationship of the existing service or of one mutually agreeable to the Company and the customer.
 9. The customer will provide equipment to maintain a unity power factor + or - 10% during periods of generator operation.
 10. The Company reserves the right to disconnect the customer's generator from its system if it interferes with the operation of the Company's equipment or with the equipment of other company customers.
 11. Prior to installation, a detailed diagram of the generator and related equipment must be furnished to the Company for its approval.
 12. The customer shall execute an electric service agreement with the Company which may include, among other provisions, a minimum term of service.
 13. The SQF shall indemnify and save harmless the Company from and against any and all claims for damages to property and injury or death to persons which may arise out of or be caused by the erection, maintenance, presence, operation or removal of the SQF or by any related act or omission of the SQF, its employees, agents, contractors or subcontractors.
 14. Equipment shall be provided by the customer that provides a positive means of preventing feedback to the Company during an outage or interruption of that system.
 15. The customer shall install, own and maintain all equipment deemed necessary by the Company to assure proper parallel operation of the system.
 16. Any renewable energy credits associated with the renewable energy sold to the Company will be transferred to the Company and the renewable generator will be compensated an additional payment of \$2.25/MWh (\$0.00225/kWh), as shown in the payment schedule.

NORTH DAKOTA PUBLIC
SERVICE COMMISSION

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APPROVED: Bernadeen Brutlag
Manager, Regulatory Services

**SMALL POWER PRODUCER RIDER
 DEPENDABLE SERVICE**

Base Avoided On-Peak Costs	Rates Zone 1 & 9	Code 9040
Base Avoided Off-Peak Costs	Rates Zone 1 & 9	Code 9041
Base Avoided On-Peak Costs Plus Renewable Energy Credit	Rates Zone 1 & 9	Code 9042
Base Avoided Off-Peak Costs Plus Renewable Energy Credit	Rates Zone 1 & 9	Code 9043

AVAILABILITY: Available to any qualifying facility which is capable of delivering power and energy to the Company on a dependable basis.

METERING CHARGE: \$12.85 per month

PAYMENT SCHEDULE:

ENERGY:

Base Avoided Costs	<u>On-Peak</u>	<u>Off-Peak</u>
Summer	3.886¢ per kWh	2.232¢ per kWh
Winter	6.049¢ per kWh	3.226¢ per kWh

Base Avoided Costs Plus Renewable Energy Credit	<u>On-Peak</u>	<u>Off-Peak</u>
Summer	4.111¢ per kWh	2.457¢ per kWh
Winter	6.274¢ per kWh	3.451¢ per kWh

CAPACITY:

	Monthly \$/kW	Monthly \$/kW
Contract	Net Capacity	Levelized
<u>Term</u>	<u>Rate</u>	<u>Rate</u>
60 mos.	\$7.41	\$7.41
120 mos.	7.94	7.94
180 mos.	8.45	8.45
240 mos.	8.94	8.94
300 mos.	9.40	9.40
360 mos.	9.85	9.85

Energy payment will be adjusted annually to reflect energy costs.

NORTH DAKOTA PUBLIC
 SERVICE COMMISSION
 2009, in ND Approved: ~~January 30, 2008~~ (DATE)
 Case No. PU-08-35

RATES EFFECTIVE with bills rendered
 on and after ~~February 1, 2008~~ January 2,

APPROVED: Bernadeen Brutlag
 Manager, Regulatory Services

Total capacity payment equals (accredited capacity value of the QF) times
(capacity ratio) times (appropriate leveled capacity rate).

Capacity Ratio equals (Qualifying Facility on-peak capacity factor)
65%

The Capacity Ratio shall not exceed a value of 1

or

If the Qualifying Facility is dispatchable by Otter Tail
and tested under the Mid-Continent Area Power Pool guidelines,
then the capacity ratio automatically equals 1.

SPECIAL CONDITIONS OF SERVICE:

1. A qualifying facility, desiring dependable service compensation shall execute a contract agreement for a term of 5, 10, 15, 20, 25, or 30 years.
2. In the event that a qualifying facility terminates service, the Dependable Service severance penalty payment will be determined as follows:

The remaining percentage of the contract term will be multiplied by the average capacity compensation per month and the result multiplied by six months. The average capacity compensation per month will be determined for the last three years or from the contract's initiation, whichever is the shorter period.

In addition, capacity compensation from the initiation of the contract will be recalculated at the capacity payment of the longest contract term filled. The following table illustrates the longest contract term filled given the number of months that payments were made:

<u>Months of Payments</u>	<u>Contract Term Filled</u>
0 - 119	60
120 - 179	120
180 - 239	180
240 - 299	240
300 - 360	300

SPECIAL CONDITIONS OF SERVICE:

The difference between the actual payments made and the recalculated payments must be repaid with interest. The interest rate used will be the average prime interest rate during the contract period prior to the severance.

3. Qualifying facility may select a total of 30 scheduled maintenance days per year, to be taken in two periods, neither of which shall be less than one week in duration at a time agreeable to Otter Tail. A 30-day prior notice must be given to Otter Tail before a scheduled maintenance period can be established.

Capacity payment for a monthly period in which scheduled maintenance has occurred will be the greater of the capacity payment using the regular billing procedure or the average billing capacity payment since the previous month in which a scheduled maintenance period occurred.

REGULATIONS: General Rules and Regulations govern service under this schedule.

INTERIM RATE ADJUSTMENT:

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, Energy Charge, Demand Charge, Fixed Charge, and the monthly Minimum Charge.

N
N
N

DEFINITIONS:

Dependable Service: Qualifying facility can deliver power at a minimum of 65% on-peak capacity factor in each month; can deliver power during the Company's winter and summer system peaks; and is accredited according to Section 5.2 of the Mid-Continent Area Power Pool Engineering Handbook.

Capacity Factor: The number of kilowatthours delivered during the period divided by the product of the accredited capacity times the number of hours in the period. The maximum capacity factor is 1.0.

Summer On-Peak: May 1 through October 31 including those hours from 8:00 a.m. to 10:00 p.m., Monday through Friday.

Summer Off-Peak: All other hours including the three holidays of Memorial Day, Independence Day and Labor Day.

Winter On-Peak: November 1 through April 30 including those hours from 7:00 a.m. to 10:00 p.m., Monday through Friday.

Winter Off-Peak: All other hours including the three holidays of Thanksgiving Day, Christmas Day and New Years Day.

TERMS AND CONDITIONS:

The use of this rate requires that special precautions be taken in the design of associated metering and control systems. The following terms and conditions describe these precautions and shall be followed on all customer-owned small qualifying facilities (SQF).

1. The customer will be compensated monthly for all energy received from the SQF less the metering charge. The schedule for these payments is subject to annual review.
2. If the SQF is located at a site outside of the Company's service territory and energy is delivered to the Company through facilities owned by another utility, energy payments will be adjusted downward reflecting losses occurring between the point of metering and the point of delivery.
3. A separate meter will be furnished, owned and maintained by the Company to measure the energy to the Company.
4. The SQF shall make provision for on-site metering. All energy received from and delivered to the Company shall be separately metered. On site use of the SQF output shall be unmetered for purposes of compensation.
5. In the event the SQF desires wheeling by the Company of the SQF output, arrangements will be made subject to special consideration.
6. The customer shall pay for any increased capacity of the distribution equipment serving him and made necessary by the installation of his generator.

7. Power and energy purchased by the SQF from the Company shall be under the available retail rates for the purchase of electricity.
8. The customer's 60 hertz generator output must be at the voltage and phase relationship of the existing service or of one mutually agreeable to the Company and the customer.
9. The customer will provide equipment to maintain a unity power factor + or - 10% during periods of generator operation.
10. The Company reserves the right to disconnect the customer's generator from its system if it interferes with the operation of the Company's equipment or with the equipment of other company customers.
11. Prior to installation, a detailed diagram of the generator and related equipment must be furnished to the Company for its approval.
12. The customer shall execute an electric service agreement with the Company which may include, among other provisions, a minimum term of service and generator capacity rating.
13. The SQF shall indemnify and save harmless the Company from and against any and all claims for damages to property and injury or death to persons which may arise out of or be caused by the erection, maintenance, presence, operation or removal of the SQF or by any related act or omission of the SQF, its employees, agents, contractors or subcontractors.
14. Equipment shall be provided by the customer that provides a positive means of preventing feedback to the Company during an outage or interruption of that system.
15. The customer shall install, own and maintain all equipment deemed necessary by the Company to assure proper parallel operation of the system.
16. Any renewable energy credits associated with the renewable energy sold to the Company will be transferred to the Company and the renewable generator will be compensated an additional payment of \$2.25/MWh (\$0.00225/kWh), as shown in the payment schedule.

**STANDBY SERVICE
(Under 100 kw Capacity)**

Rates Zones 1 & 9

	<u>Code</u>
Standard	918
Temperature Time of Day:	
On-Peak	919
Off-Peak	920

APPLICATION OF SCHEDULE: This schedule is applicable for standby electric service for a maximum of 800 hours per season. Capacity is to be limited to under 100 kW. A specific capacity must be requested which reflects the maximum anticipated standby service demand.

All equipment to be served must be of such voltage and electrical characteristics that it can be served from the circuit provided for the main part of the load and the electricity used properly measured by the meter ordinarily installed on such a circuit. If the equipment to be served is such that this is impossible, the customer must provide any necessary transformers, auto transformers or other devices suitable for connection to the circuit provided by the Company.

Intermittent and highly fluctuating loads requiring a separate service line or separate transformer may be served through a separate meter, on this rate, with a separate billing.

RATE:

Facilities Charge: \$10.34 for standard rate or \$12.06
for temperature-time of day.

PLUS:

Demand: \$3.22 per kW
Energy: Standard Rate 1.736¢ per kWh

OR:

Temperature-Time of Day

SUMMER

ON-PEAK
2.111¢ per kWh

OFF-PEAK
1.538¢ per kWh

WINTER

ON-PEAK
2.393¢ per kWh

OFF-PEAK
1.802¢ per kWh

INTERIM RATE ADJUSTMENTS:

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, Energy Charge, Demand Charge, Fixed Charge, and the monthly Minimum Charge.

N
N
N

MINIMUM CHARGE: Demand Charge plus Facilities Charge.

DETERMINATION OF BILLING DEMAND: The billing demand shall be the greater of the maximum quarter hour kW demand during the past 12 months or the requested kW capacity as established in the electric service agreement. Quarter hour kW demand is determined by measuring kW for any period of 15 consecutive minutes by a suitable demand meter.

DEFINITIONS:

Summer On-Peak: May 1 through October 31 including those hours from 6:00 a.m. to 10:00 p.m., Monday through Saturday when the outside temperature exceeds 80 degrees F., excluding holidays.

Summer Off-Peak: All other hours.

Winter On-Peak: November 1 through April 30 including those hours from 6:00 a.m. to 10:00 p.m., Monday through Saturday when the outside temperature is less than 0 degrees F., excluding holidays.

Winter Off-Peak: All other hours.

Holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

PAYMENT: Refer to Payment Policy Rate Schedule, Rate Designation M-62N, superseding amendments, or provisions allowed by law.

CONTRACT PERIOD: This rate is applicable only by signed agreement, setting forth the location and conditions applicable to the electric service, and providing for an initial minimum contract period of one year, unless otherwise authorized by Otter Tail.

REGULATIONS: General Rules and Regulations govern use under this schedule. Company must have a detailed wiring diagram of service connections for Company approval prior to installation.

ADJUSTMENT FOR MUNICIPAL PAYMENTS: Bills under this rate schedule may be subject to adjustment for certain payments to municipalities as provided in the General Rules and Regulations.

**STANDBY SERVICE
 (100 kW Capacity or More)**

Rates Zones 1 & 9

	<u>On-Peak Code</u>	<u>Off-Peak Code</u>
Transmission Service	921	922
Primary Service	923	924
Secondary Service	925	926

APPLICATION OF SCHEDULE: This schedule is applicable for standby electric service for a maximum of 800 hours per season. Capacity is to be 100 kW or more. A specific capacity must be requested which reflects the maximum anticipated standby service demand.

All equipment to be served must be of such voltage and electrical characteristics that it can be served from the circuit provided for the main part of the load and the electricity used properly measured by the meter ordinarily installed on such a circuit. If the equipment to be served is such that this is impossible, the customer must provide any necessary transformers, auto transformers or other devices suitable for connection to the circuit provided by the Company.

Intermittent and highly fluctuating loads requiring a separate service line or separate transformer may be served through a separate meter, on this rate, with a separate billing.

RATE:

Facilities Charge: \$25.18

PLUS:

Demand:	<u>Transmission Service</u>	<u>Primary Service</u>	<u>Secondary Service</u>
	\$3.54 per kW	\$5.22 per kW	\$5.55 per kW

Energy:

Temperature-Time of Day

SUMMER

<u>ON-PEAK</u>	<u>OFF-PEAK</u>
2.111¢ per kWh	1.538¢ per kWh

WINTER

<u>ON-PEAK</u>	<u>OFF-PEAK</u>
2.393¢ per kWh	1.802¢ per kWh

NORTH DAKOTA PUBLIC
 SERVICE COMMISSION

Approved: ~~October 6, 1999~~ (DATE)
 Case No. PU-~~401-97-50308-~~

RATES EFFECTIVE with bills rendered
 on and after ~~November 1, 1999~~ January 2,
2009, in ND
 APPROVED: ~~Doug Jellerup~~ Bernadeen
Brutlag Chief Operating Officer, Energy
Delivery Manager, Regulatory Services

INTERIM RATE ADJUSTMENTS:

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, Energy Charge, Demand Charge, Fixed Charge, and the monthly Minimum Charge.

N
N
N

MINIMUM CHARGE: Demand Charge plus Facilities Charge.

DETERMINATION OF BILLING DEMAND: The billing demand shall be the greater of the maximum quarter hour kW demand during the past 12 months or the requested kW capacity as established in the electric service agreement. Quarter hour kW demand is determined by measuring kW for any period of 15 consecutive minutes by a suitable demand meter.

DEFINITIONS:

Summer On-Peak: May 1 through October 31 including those hours from 6:00 a.m. to 10:00 p.m., Monday through Saturday when the outside temperature exceeds 80 degrees F., excluding holidays.

Summer Off-Peak: All other hours.

Winter On-Peak: November 1 through April 30 including those hours from 6:00 a.m. to 10:00 p.m., Monday through Saturday when the outside temperature is less than 0 degrees F., excluding holidays.

Winter Off-Peak: All other hours.

Holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

PAYMENT: Refer to Payment Policy Rate Schedule, Rate Designation M-62N, superseding amendments, or provisions allowed by law.

CONTRACT PERIOD: This rate is applicable only by signed agreement, setting forth the location and conditions applicable to the electric service, and providing for an initial minimum contract period of one year, unless otherwise authorized by Otter Tail.

REGULATIONS: General Rules and Regulations govern use under this schedule. Company must have a detailed wiring diagram of service connections for Company approval prior to installation.

ADJUSTMENT FOR MUNICIPAL PAYMENTS: Bills under this rate schedule may be subject to adjustment for certain payments to municipalities as provided in the General Rules and Regulations.

NORTH DAKOTA PUBLIC
SERVICE COMMISSION

Approved: ~~October 6, 1999~~(DATE)
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RATES EFFECTIVE with bills rendered
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APPROVED: ~~Doug Jellerup~~Bernadeen
Brutlag Chief Operating Officer, Energy
Delivery Manager, Regulatory Services

IRRIGATION SERVICE

Rate Zones 1 & 9

Option 1	44-703
Option 2	
Off-Peak	44-706
Intermediate	44-705
On-Peak	44-704

AVAILABILITY: Available to customers for pumping water for irrigation of land, during the irrigation season - April 15 to November 1, subject to the rules and regulations for Irrigation Service.

CHARACTER AND CONDITIONS OF SERVICE: This rate is based upon the seasonal availability of excess capacity in the generating, transmitting, and distribution systems of the Company during the irrigation season. The Company reserves the right to interrupt this service in case of an emergency. As a condition to receiving service at this rate, the customer shall, when notified to do so, abide by such restrictions.

RATE: New customers served under this rate shall pay an annual fixed charge equal to 18% of the investment of the Company in the extension of lines, including any rebuilding or cost of capacity increase in lines or apparatus, necessitated because of the irrigation pumping load. This charge shall be reviewed if additional customers are connected to the extension within five years. An agreement will be entered into with each customer, specifying the investment necessary to supply service and the fixed charge. The annual fixed charge will be billed in five equal monthly installments May through September of each year, plus:

Option 1: Connected Load Charge - \$0.29 per horsepower per month
(May through September) and
All kWh used per month - 3.912¢ per kWh

OR

Option 2: Off-peak energy - 2.639¢ per kWh for all kWh. Off-peak rate level will apply Monday through Saturday from 7:00 p.m. to 11:00 a.m., Sunday, and holidays (Memorial Day, July 4, Labor Day).

Intermediate peak energy - 5.508¢ per kWh for all kWh. Intermediate rate level will apply Monday through Saturday from 11:00 a.m. to 7:00 p.m., except peak summer days.

On-peak energy - 7.756¢ per kWh for all kWh. On-peak rate level will apply Monday through Saturday from 11:00 a.m. to 7:00 p.m. only on days when Otter Tail is experiencing summer peak conditions. The number of hours at peak level is not expected to exceed 300 hours per season.

CHANGE IN BASE COST OF ENERGY:

There shall be an adder of 1.447 cents per kWh to each energy charge in this rate schedule.

N
N

INTERIM RATE ADJUSTMENTS:

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, Energy Charge (after the increase of 1.447 cents per kWh), Demand Charge, Fixed Charge, and the monthly Minimum Charge.

N
N
N
N

COST OF ENERGY ADJUSTMENT: The energy charges under this schedule are subject to a Cost of Energy Adjustment as provided for in Rate M-60N, or any amendments or superseding provisions applicable thereto.

PAYMENT: Refer to Payment Policy Rate Schedule, Rate Designation M-62N, superseding amendments, or provisions allowed by law.

CONTRACT PERIOD: 5 years.

SEASONAL SERVICE: The Company may, at its option, disconnect the service on or after November 1 and reconnect it prior to April 15.

REGULATIONS: General Rules and Regulations govern use under this schedule.

ADJUSTMENT FOR MUNICIPAL PAYMENTS: Bills under this rate schedule may be subject to adjustment for certain payments to municipalities as provided in the General Rules and Regulations.

**RULES AND REGULATIONS
FOR IRRIGATION SERVICE**

1. This service is available to customers legally entitled to use water for irrigation.
2. Service will be 60-cycle alternating current, single-phase or three-phase at such voltage as determined by the economically available source of supply. Motors individually rated at less than 1 horsepower will not be included in the connected load charge.
3. All installations must conform to the rules of the Company and be approved by its inspector before service is allowed.
4. The customer may be required to make a deposit to insure payment of bills when due. This deposit will be returned when service is disconnected, provided all obligations of the customer to the Company have been discharged, or it will be applied to the liquidation of the account.

5. The customer shall grant the right of free access to the customer's premises at all reasonable times, for the purpose of reading meters or inspecting any of the equipment by any of its authorized employees.

6. The customer will report the reading of his meter once each month when requested to do so by the Company.

7. Where new service is applied for, the necessary extension of lines including poles, wires, crossarms, insulators, transformers and other equipment in connection therewith, necessary to furnish service and to transmit electric energy to the customer shall be made in accordance with, and within the limitations of the policy of the Company governing such extensions, and in accordance with an agreement between the customer and the Company.

8. The customer may build or purchase the extension of lines not needed to serve other customers. The agreement between the customer and the Company shall definitely identify that portion of the extension and equipment which is the property of the customer. In that event, the cost of that portion owned by the customer will be excluded from the investment of the Company in computing the fixed charge. Operation and maintenance of the property of the customer shall be by and at the expense of the customer.

If at any time, in the opinion of the Company, that portion of the extension owned by the customer shall interfere with the operation of the Company's line, or shall be a hazard to persons or property, the Company reserves the right to discontinue service until it has been restored to a safe and proper condition.

The Company will operate and maintain the customer's line by written agreement only.

9. The Company shall have the right to transmit electric energy over any and all extensions of lines used to supply this service to other customers who shall apply for service either by connecting with existing extensions of lines or by erecting and installing new extensions of lines, providing that such service to such other customers shall not interfere with the service furnished under this schedule.

10. Because of the investment of the customer in pumping and irrigation equipment, and of the Company in the extension of lines, the Company shall enter into a written agreement with each customer to serve him at this rate and the customer shall agree to pay for service at this rate for a period of five years.

If, during the terms of such agreement, the Company shall establish a superseding rate for this service, the customer shall be billed at the superseding rate for the balance of the term of his contract and shall comply with all terms and conditions of the superseding rate. Unless there is additional investment by the Company, there shall be no change in the amount of the fixed charge during the term of such agreement regardless of the provisions of any superseding rate.

OUTDOOR LIGHTING – ENERGY ONLY

Rate Zones 1 & 9

Street and Area Lighting - Metered	44-748
Street and Area Lighting - Non-Metered	44-749

APPLICATION OF TARIFF: This tariff is applicable to both private and governmental entities. The tariff will allow the Company to sell electric energy to municipal and other outdoor area lighting customers who choose to own, install, and maintain the lighting equipment. Under the tariff, Otter Tail will provide only the electric energy.

EQUIPMENT AND SERVICE OWNERSHIP: The customer or other third party shall install and own all equipment necessary for service beyond the point of connection with Company's electrical system. The point of connection shall be at the meter or disconnect switch, for service provided either overhead or underground. The customer will be responsible for furnishing and installing a master disconnect switch at the point of connection so as to isolate the customer's equipment from Company's electrical system. The customer's disconnect switch must meet the Company's specifications.

The customer is responsible for the cost of providing maintenance on the equipment it owns. The Company reserves the right to disconnect the customer's equipment from the Company's electrical system if, in the Company's determination, the customer's lighting equipment is operated or maintained in an unsafe or improper manner.

RATE - METERED

Facilities Charge:	\$1.40 /month
Energy Charge:	\$0.05898/kWh
Minimum Monthly Charge:	\$1.40/month

RATE – NON-METERED

Monthly Charge = *Connected kW* x \$20.15, where *Connected kW* is the rated power of the lighting fixture (including ballast)

CHANGE IN BASE COST OF ENERGY:

There shall be an adder of 1.447 cents per kWh to each energy charge in this rate schedule.

INTERIM RATE ADJUSTMENTS:

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, Energy Charge (after the increase of 1.447 cents per kWh), Demand Charge, Fixed Charge, and the monthly Minimum Charge.

NORTH DAKOTA PUBLIC
SERVICE COMMISSION
Approved: January 12, 2000 (DATE)
Case No. PU-401-99-62208-

EFFECTIVE ~~with for bills~~ services rendered on
and after January 12, 2000, in ND

APPROVED: Doug Kjellerup Bernadeen
Brutlag Vice President, Marketing and
Development Manager, Regulatory Services

N
N
N
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N

SERVICE CONDITIONS: Service shall be provided off of standard distribution facilities typical of those in the general area. If it is necessary for the Company to install non-standard distribution facilities in order to provide service, the customer shall be responsible for any additional costs associated with the non-standard facilities.

As part of this tariff, the Company will provide an extension of up to one span of wire, not to exceed 300 feet.

No additional transformer capacity shall be provided without additional charges.

The customer shall indemnify, defend, and save the Company harmless from any liability, loss, or expense arising from or growing out of injury to persons, including death, or property damages incurred by persons other than the Company or the customer, which may occur on the electrical system of the customer (i.e., the customer's side of the point of connection), unless such loss is due to the negligence of Company.

Company shall have the right to periodically review the customer's lighting equipment to verify that the rated power (kW) of the non-metered fixtures is consistent with the Company's records.

PAYMENT: Refer to Payment Policy Rate Schedule, Rate Designation M-62N, any superseding amendments, or other provisions allowed by law.

REGULATIONS: The Company's General Rules and Regulations, on file with the Commission, continue to be applicable to service under this tariff.

ADJUSTMENT FOR MUNICIPAL PAYMENTS: Bills under this rate schedule may be subject to adjustment for certain payments to municipalities as provided in the General Rules and Regulations.

OUTDOOR LIGHTING

Rate Zones 1 & 9

Street and Area Lighting	44-741
Floodlighting	44-743
Sign Lighting	44-744

APPLICATION OF SCHEDULE: This schedule is applicable to any customer, including a village, town or city, for automatically operated outdoor lighting supplied and operated by the Company.

RATE:

<u>Unit Type</u>	<u>Lumen Rating</u>	<u>Monthly Charge</u>
MV-6	6,000	\$ 5.84
MV-6PT	6,000	8.33
MV-11	11,000	10.58
MV-21	21,000	13.93
MV-35	35,000	20.44
MV-55	55,000	26.13
MA-8*	8,500	7.05
MA-14*	14,000	13.42
MA-20*	20,500	15.32
MA-36*	36,000	15.00
MA-110*	110,000	32.01
*Cut off fixtures are available.		
HPS-9	9,000	6.27
HPS-9PT	9,000	8.10
HPS-14	14,000	9.76
HPS-14PT	14,000	10.44
HPS-19	19,000	11.34
HPS-23	23,000	12.83
HPS-44	44,000	15.84

FLOODLIGHTING

<u>Fixture</u>	<u>Unit Type</u>	<u>Monthly Charge</u>
400 MV-Flood	Mercury Vapor	\$14.46
400 MA-Flood	Metal Additive Mercury	15.41
400 HPS-Flood	High Pressure Sodium	15.75
1,000 MV-Flood	Mercury Vapor	25.37
1,000 MA-Flood	Metal Additive Mercury	26.76

Due to the federal Energy Policy Act of 2005, after July 1, 2008, the Company will no longer install Mercury Vapor fixtures for new installations.

NORTH DAKOTA PUBLIC
 SERVICE COMMISSION
 Approved: ~~June 28, 2008~~ (DATE)
 Docket No. PU-08-274

EFFECTIVE ~~with for bills~~ services rendered on
 and after ~~July 1, 2008~~ January 2, 2009 in ND

APPROVED: Bernadeen Brutlag
 Manager, Regulatory Services

INTERIM RATE ADJUSTMENT:

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, Energy Charge, Demand Charge, Fixed Charge, and the monthly Minimum Charge.

N
N
N

SEASONAL CUSTOMERS: Seasonal customers will be billed at the same rate as year-around customers, except as follows:

A fixed charge of \$9.00 will be billed each seasonal customer once per season per fixture in addition to the rate provided above. The fixed charge will be included in the first bill rendered for each season.

Each customer will be billed for the number of months each season that the outdoor lighting fixture is in use, but not less than a minimum of four months, plus the seasonal fixed charge.

UNDERGROUND SERVICE: If the customer requests underground service to any outdoor lighting unit or sign, the Company will supply the equivalent of one span of underground and add an additional \$1.63 to the monthly rate specified above. If overhead service is not available, there is no additional charge. **There is no additional charge for the MV-6 PT, HPS-9 PT or the HPS-14 PT fixtures.**

SIGN LIGHTING:

Rate: \$1.58 per month for each 100 watts of lighting load supplied by unmetered electric service. Lighting load shall be determined by the lamp size plus the necessary ballast.

Equipment and Service Supplied: The Company will supply the necessary electricity to light the sign. Any necessary extension of the Company's 120-volt supply beyond one span of wire will be at the expense of the customer. The customer shall also supply the mounting point for the Company's service wires and provide the lamps and photo-electric or other device to control the operating hours and keep such equipment in good operating order.

EQUIPMENT AND SERVICE SUPPLIED BY THE COMPANY: The Company will install, own and operate a high intensity discharge light including suitable reflector or a floodlight including a lamp, bracket for mounting on wood poles with overhead wiring and photo-electric or other device to control operating hours. The light shall operate from dusk to dawn. The Company will supply the necessary electricity and maintenance for the unit. The Company will continue to own and operate existing fluorescent fixtures at the rates indicated above at specified lumen ratings.

MOUNTING LOCATION: The light shall be mounted upon a suitable new or existing Company-owned pole at which unmetered 120-volt supply is available. Any necessary extension of the Company's 120-volt supply beyond one span of wire will be at the expense of the customer.

CONTRACT PERIOD: Minimum of one year or minimum of one season. A season is defined as a minimum of four months.

PAYMENT: Refer to Payment Policy Rate Schedule, Rate Designation M-62N, superseding amendments, or provisions allowed by law.

REGULATIONS: General Rules and Regulations govern use under this schedule.

ADJUSTMENT FOR MUNICIPAL PAYMENTS: Bills under this rate schedule may be subject to adjustment for certain payments to municipalities as provided in the General Rules and Regulations.

MUNICIPAL PUMPING SERVICE

Rate Zones 1 & 9 Code 44-872

APPLICATION OF SCHEDULE: This rate schedule is available for municipal or other governmental use only. It shall apply to electric service for motor driven pumps for use at water pumping and treating plants, sewage disposal and treating plants and sewage lift stations and all lighting and other electrical requirements incidental to the operation of such plants and lift stations. Municipal buildings adjacent to, but not incidental to the pumping operation, may not be served at this rate except upon approval of Otter Tail Power Company where separate metering is not practical for a small connected load. Service shall be at the available secondary voltage, and where the electric supply is three-phase, the municipality shall provide the necessary wiring and equipment for its single phase requirements.

Where electric service is provided at an available primary voltage, billing for energy shall be reduced by 2% to compensate the municipality for transformer losses.

The rate schedule and monthly minimum shall apply to each meter in service except that where service through a meter is for electric space heating only the energy on this meter shall be added to the pumping meter for billing purposes. Seasonal service is not permitted.

RATE: First 2500 kWh or less used per month - 5.809¢ per kWh
 Next 1500 kWh used per month - 4.289¢ per kWh
 Excess kWh used per month - 3.425¢ per kWh

CHANGE IN BASE COST OF ENERGY:

There shall be an adder of 1.447 cents per kWh to each energy charge in this rate schedule.

N
N

INTERIM RATE ADJUSTMENTS:

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, Energy Charge (after the increase of 1.447 cents per kWh), Demand Charge, Fixed Charge, and the monthly Minimum Charge.

N
N
N
N

MONTHLY MINIMUM CHARGE: \$3.30 for each metering point.

COST OF ENERGY ADJUSTMENT: The energy charges under this schedule are subject to a Cost of Energy Adjustment as provided for in Rate Designation M-60M, or any amendments or superseding provisions applicable thereto.

NORTH DAKOTA PUBLIC
SERVICE COMMISSION
2009, in ND
Approved: ~~October 6, 1999~~(DATE)
Case No. PU-401-97-50308-
~~Kjellerup~~Bernadeen Brutlag
Delivery Manager, Regulatory Services

RATES EFFECTIVE with bills rendered
on and after ~~November 1, 1999~~January 2,

APPROVED: ~~Doug~~

Chief Operating Officer, Energy

PAYMENT: Refer to Payment Policy Rate Schedule, Rate Designation M-62N, superseding amendments, or provisions allowed by law.

REGULATIONS: General Rules and Regulations govern use under this schedule.

ADJUSTMENT FOR MUNICIPAL PAYMENTS: Bills under this rate schedule may be subject to adjustment for certain payments to municipalities as provided in the General Rules and Regulations.

NORTH DAKOTA PUBLIC
SERVICE COMMISSION
2009, in ND
Approved: ~~October 6, 1999~~(DATE)
Case No. ~~PU-401-97-50308-~~
~~Kjellerup~~Bernadeen Brutlag
Delivery Manager, Regulatory Services

RATES EFFECTIVE with bills rendered
on and after ~~November 1, 1999~~January 2,

APPROVED: ~~Doug~~
Chief Operating Officer, Energy

FIRE SIRENS

Rate Zones 1 & 9 Code 843

APPLICATION OF SCHEDULE: This schedule is applicable to separately served municipal fire sirens.

RATE: 57¢ per connected horsepower per month where the siren is served separately. Billing includes any kWh used.

INTERIM RATE ADJUSTMENT:

A 4.07 percent increase will be added to the sum of the following, as applicable: Customer Charge, Energy Charge, Demand Charge, Fixed Charge, and the monthly Minimum Charge.

N
N
N

OTHER FIRE SIREN SERVICE: If the siren is served through the City Hall, fire hall or other meter, no separate billing shall be made for the siren, but the horsepower (or recorded demand if applicable) of the siren motor will be figured into the monthly minimum charge of the applicable rate covering service at this point.

PAYMENT: Refer to Payment Policy Rate Schedule, Rate Designation M-62N, superseding amendments, or provisions allowed by law.

ADJUSTMENT FOR MUNICIPAL PAYMENTS: Bills under this rate schedule may be subject to adjustment for certain payments to municipalities as provided in the General Rules and Regulations.

NORTH DAKOTA PUBLIC
SERVICE COMMISSION
2009, in ND
Approved: ~~October 6, 1999~~(DATE)
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~~Kjellerup~~Bernadeen Brutlag
~~Delivery~~Manager, Regulatory Services

RATES EFFECTIVE with bills rendered
on and after ~~November 1, 1999~~January 2,

APPROVED: ~~Doug~~

~~Chief Operating Officer, Energy~~