

INDEPENDENT AUDITORS' REPORT

To the Otter Tail Power Company:

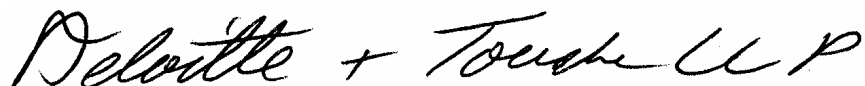
We have audited the accompanying schedule of cost of energy adjustment factors (the "Schedule") for Otter Tail Corporation, d/b/a Otter Tail Power Company (the "Company") for North Dakota customers for the 12 months ended June 30, 2008, based on the Cost of Energy Adjustment Clause as defined on Sheet No. 98 of the electric rate schedule filed by the Company with the North Dakota Public Service Commission (the "Commission") on Docket No PU-05-131. This schedule is the responsibility of the Company's management. Our responsibility is to express an opinion on the Schedule based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Schedule is free of material misstatement. An audit includes consideration of internal control over financial reporting as it relates to the Schedule as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting as it relates to the Schedule. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the Schedule, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the Schedule. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Schedule was prepared for the purpose of complying with the North Dakota Public Service Commission's (the "Commission") approved Cost of Energy Adjustment Clause, including related Fuel Clause Rider and Dockets and the uniform system of accounts prescribed by the Federal Energy Regulatory Commission (FERC) and is not intended to be a complete presentation of the Company's revenues and expenses.

In our opinion, the cost of energy adjustment clause factors shown on the attached Schedule for the 12 months ended June 30, 2008, are presented fairly, in all material respects, in accordance with the Cost of Energy Adjustment Clause approved by the Commission, and in conformity with the uniform system of accounts prescribed by FERC.

This report is intended solely for the use of the Board of Directors and management of the Company and the Commission and should not be used for any other purpose.



August 28, 2008

OTTER TAIL POWER COMPANY

SCHEDULE OF COST OF ENERGY ADJUSTMENT FACTORS FOR NORTH DAKOTA CUSTOMERS PERIOD FROM JULY 1, 2007 TO JUNE 30, 2008

Based on Costs in the Four-Month Period Ended	Effective for the Monthly Bill Dated on or After	Adjustment Per KWH
July 31, 2007	September 4, 2007	0.0105
August 31, 2007	October 2, 2007	0.0026
September 30, 2007	November 1, 2007	0.0026
October 31, 2007	December 3, 2007	0.0036
November 30, 2007	January 3, 2008	0.0153
December 31, 2007	February 1, 2008	0.0350
January 31, 2008	March 3, 2008	0.0343
February 29, 2008	April 2, 2008	0.0310
March 31, 2008	May 1, 2008	0.0227
April 30, 2008	June 2, 2008	0.0125
May 31, 2008	July 2, 2008	0.0076
June 30, 2008	August 1, 2008	0.0052