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VIA ELECTRONIC DELIVERY

September 25, 2008

Mr. Darrel Nitschke
Director of Administration
North Dakota Public Service Commission
600 E. Boulevard Ave., Dept. 408
Bismarck, ND 58505-0480

Dear Mr. Nitschke:

For the four-month period ending August 31, 2008, the rate for the Cost of Energy Adjustment is \$.0072 per kWh. Otter Tail Power Company proposes to bill at this rate effective October 2, 2008.

The following additional information is provided:

Average costs from previous month's adjustment:	\$.022024
Average costs from current month's adjustment:	\$.023691
Difference – (Increase) Decrease:	(\$.001667)

The net effect of this fuel adjustment is to increase the rate by \$.0016. The total resulting adjustment for the current billing period will then be \$.0072 per kWh.

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

1 PU-08-796 Filed 09/25/2008 Pages: 10
October 2008 Fuel Cost Adjustment
Otter Tail Corporation

Mr. Darrel Nitschke
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Otter Tail Power Company submits seven (7) copies each of the following:

- 1) Calculation of the October 2008 Cost of Energy Adjustment Clause based on the four-month period ending August 2008.
- 2) Monthly Detail of MISO Day 2 Charges by Charge Type for ND FCA marked as Attachment A.
- 3) Monthly MISO Day 2 Charges for ND Fuel Clause Adjustment marked as Attachment B.
- 4) Monthly MISO Day 2 Charges for ND Non-Fuel Clause Adjustment marked as Attachment C.
- 5) Detail of MISO Day 2 Charges by Charge Group for Current Month marked as Attachment D.
- 6) Otter Tail Power Company's Plant Conditions for July and August 2008 marked as Attachment E.

Also included in this month's filing is the Independent Auditors' Report from Deloitte & Touche LLP for the time period of July 2007 to June 2008, pursuant to North Dakota Rule 69-09-02-39(12).

Sincerely,



Jill R. Bjorgum
Regulatory Transactions Specialist
Regulatory Services

Enclosures

cc: NDPSC – electronic copy

NORTH DAKOTA
 OTTER TAIL POWER COMPANY
 COST OF ENERGY ADJUSTMENT
 FOR BILLING TO BE EFFECTIVE OCTOBER 2, 2008

EFFECTIVE 10/02/08
 CYCLE '1'
 RATE LEVEL 44

ENERGY COSTS	2008 May	2008 June	2008 July	2008 August	Total This Period
Purchased Power	\$ 5,734,293	\$ 2,429,114	\$ 7,965,217	\$ 13,295,808	\$ 29,424,433
Steam Plant Generation	\$ 4,545,056	\$ 4,850,786	\$ 6,086,198	\$ 6,055,579	\$ 21,537,619
Other Plant Generation	\$ 10,653	\$ 85,733	\$ 962,603	\$ 565,111	\$ 1,624,100
Hydro Plant Generation	\$ -	\$ -	\$ -	\$ -	\$ -
Coyote Coal Conv. Tax	\$ 25,910	\$ 25,074	\$ 25,910	\$ 25,910	\$ 102,804
Less: Intersystem Sales	\$ (4,396,895)	\$ (1,335,213)	\$ (7,803,709)	\$ (12,762,026)	\$ (26,297,843)
Net Retail MISO Day 2	\$ 161,121	\$ 1,575,677	\$ 618,573	\$ 746,873	\$ 3,102,244
NET ENERGY COSTS	\$ 6,080,139	\$ 7,631,172	\$ 7,854,792	\$ 7,927,254	\$ 29,493,357

Prior (over) under recovery \$ (3,962,730)

Adjusted Net Energy Costs \$ 25,530,627

ASSOCIATED ENERGY -- KWH

Net Generation - Steam	250,598,711	250,111,094	322,698,996	317,856,794	1,141,265,595
Other Plant IC Generation	215,241	352,230	7,969,690	5,289,726	13,826,887
Hydro Plant Generation	2,464,087	2,201,549	1,971,568	1,688,922	8,326,126
Wind	12,253,087	11,744,147	8,708,875	10,931,575	43,637,684
Purchased Power	290,466,414	303,431,218	404,592,706	455,421,854	1,453,912,192
Total Energy	555,997,540	567,840,238	745,941,835	791,188,871	2,660,968,484
Less Intersystem Sales	(289,147,560)	(308,063,815)	(426,855,084)	(471,944,339)	(1,496,010,798)
Net Retail MISO Day 2	13,660,395	27,229,020	6,275,410	12,455,912	59,620,737
Net Energy - KWHs	280,510,375	287,005,443	325,362,161	331,700,444	1,224,578,423

Energy Adjusted to Retail Sales (Net Energy X (1.00 - .12)) 1,077,629,012

Delivered Cost per kWh \$ 0.023691

Base Cost per kWh \$ 0.016473

Energy Cost Adjustment -- Per kWh **\$ 0.0072**

TRUE UP FOR AUGUST

1) Net Energy (kWhs) Less 12% Losses	291,896,391
2) Net Energy Costs for the System -- Most recent month	\$ 7,927,254
3) Base Cost Recovered (1 X Base Cost of Fuel)	\$ 4,808,409
4) Net to be Recovered from COE (2 - 3)	\$ 3,118,845
5) COE Recovery Rate Effective for August	\$ 0.0052
6) Amount Recovered by COE (5 X 1)	\$ 1,517,861
7) Over / (Under) Recovery (4 - 6)	\$ (1,600,984)
8) Cumulative Over / (Under) Recovery	\$ 3,962,730

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Otter Tail Power Company
 Monthly Detail of MISO Day 2 Charges by Charge Type for ND FCA
 August 2008* includes any adjustments

DoC No.	Line #	Charge Type Description	Acct	FCA			Non-FCA	
				Total	Retail	Other		
1	2	DA Asset Energy Amt	555.02		\$ 1,495,464.60	\$ -	\$ 1,495,464.60	
5	9	DA Non-asset Energy Amt	555.09		\$ (929,723.75)	\$ -	\$ (929,723.75)	
12	12	DA Virtual Energy Amt	555.12		\$ -	\$ -	\$ -	
13	19	RT Asset Energy Amt	555.19		\$ (241,888.89)	\$ -	\$ (241,888.89)	
22	26	RT Non-Asset Energy Amt	555.26		\$ 3,973.45	\$ -	\$ 3,973.45	
27	32	RT Virtual Energy Amt	555.32		\$ -	\$ -	\$ -	
ENERGY CHARGES TOTAL					\$ 327,825.41	\$ -	\$ 327,825.41	\$ (234,189.20)
4	1	DA Mkt Admin Amt	555.01		\$ 40,332.20	\$ -	\$ 40,332.20	
2	3	DA FBT Congestion Amt	555.03		\$ 1,403,008.61	\$ -	\$ 1,403,008.61	
3	4	DA FBT Loss Amt	555.04		\$ 845,954.66	\$ -	\$ 845,954.66	
6	5	DA Congestion Rebate on COGA	555.05		\$ -	\$ -	\$ -	
7	6	DA Losses Rebate on COGA	555.06		\$ -	\$ -	\$ -	
8	7	DA Congestion Rebate on Option B GFA	555.07		\$ (1,404,480.23)	\$ -	\$ (1,404,480.23)	
9	8	DA Losses Rebate on Option B GFA	555.08		\$ (420,801.57)	\$ -	\$ (420,801.57)	
10	10	DA Revenue Sufficiency Guarantee Distribution Amt	555.10		\$ 4,000.48	\$ -	\$ 4,000.48	
11	11	DA Revenue Sufficiency Guarantee Make Whole Pymt Amt	555.11		\$ (16.37)	\$ -	\$ (16.37)	
29	13	FTR Mkt Admin Amt	555.13		\$ 5,552.88	\$ -	\$ 5,552.88	
28	14	FTR Hourly Allocation Amt	555.14		\$ 99,996.19	\$ -	\$ 99,996.19	
30	15	FTR Monthly Allocation Amt	555.15		\$ (12,143.10)	\$ -	\$ (12,143.10)	
31	16	FTR Monthly Transaction Amt	555.16		\$ (437.46)	\$ -	\$ (437.46)	
32	17	FTR Yearly Allocation Amt	555.17		\$ -	\$ -	\$ -	
19	18	RT Mkt Admin Amt	555.18		\$ 2,996.19	\$ -	\$ 2,996.19	
15	20	RT FBT Congestion Amt	555.20		\$ -	\$ -	\$ -	
16	21	RT FBT Loss Amt	555.21		\$ -	\$ -	\$ -	
17	22	RT Congestion Rebate on COGA	555.22		\$ -	\$ -	\$ -	
18	23	RT Loss Rebate on COGA	555.23		\$ -	\$ -	\$ -	
14	24	RT Distribution of Losses Amt	555.24		\$ (96,117.51)	\$ -	\$ (96,117.51)	
20	25	RT Misc Amt	555.25		\$ (11,987.66)	\$ -	\$ (11,987.66)	
21	27	RT Net Inadvertent Amt	555.27		\$ (704.88)	\$ -	\$ (704.88)	
23	28	RT Revenue Neutrality Uplift Amt	555.28		\$ 63,003.04	\$ -	\$ 63,003.04	
24	29	RT Revenue Sufficiency Guarantee First Pass Distribution Amt	555.29		\$ 24,369.64	\$ -	\$ 24,369.64	
25	30	RT Revenue Sufficiency Guarantee Make Whole Pymt Amt	555.30		\$ (38,083.14)	\$ -	\$ (38,083.14)	
26	31	RT Uninstructed Deviation Amt	555.31		\$ 246.95	\$ -	\$ 246.95	
	38	FTR_ARR_FTR_TXN	555.38		\$ (25,135.01)	\$ -	\$ (25,135.01)	
	39	FTR_ARR_ARR_TXN	555.39		\$ 25,134.91	\$ -	\$ 25,134.91	
	41	FTR_ARR_STG2_DIST	555.41		\$ (36,760.35)	\$ -	\$ (36,760.35)	
ENERGY CHARGES TOTAL					\$ 467,928.47	\$ -	\$ 467,928.47	\$ (246,094.72)
TOTAL MISO DAY 2 CHARGES					\$ 795,753.88	\$ -	\$ 795,753.88	\$ (480,283.92)
Less Schedule 16 & 17 (Lines 1, 13, and 18)					\$ (48,881.27)	\$ -	\$ (48,881.27)	\$ -
TOTAL FOR ND COST OF ENERGY ADJUSTMENT					\$ 746,872.61	\$ -	\$ 746,872.61	\$ (480,283.92)

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Otter Tail Power Company
 Monthly MISO Day 2 Charges for ND Non-Fuel Clause Adjustment
 January - December 2008
 Includes Any Adjustments

DoC No.	Line #	Charge Type Description	Acct	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	YEAR TO DATE													
Day Ahead & Real Time Asset & Non Asset Energy & Loss																													
1	2	DA Asset Energy Amt	555.02																										
3	4	DA FBT Loss Amt	555.04																										
5	9	DA Non-asset Energy Amt	555.09																										
13	19	RT Asset Energy Amt	555.19																										
14	24	RT Distribution of Losses Amt	555.24																										
16	21	RT FBT Loss Amt	555.21																										
22	26	RT Non-Asset Energy Amt	555.26																										
TOTAL				\$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	15,162,465.02													
Virtual Energy																													
12	12	DA Virtual Energy Amt	555.12																										
27	32	RT Virtual Energy Amt	555.32																										
TOTAL				\$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	(127,838.53)												
Schedules 16 & 17																													
4	1	DA Mkt Admin Amt	555.01																										
19	18	RT Mkt Admin Amt	555.18																										
29	13	FTR Mkt Admin Amt	555.13																										
TOTAL				\$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	139,617.44												
Congest & FTRs																													
2	3	DA FBT Congestion Amt	555.03																										
15	20	RT FBT Congestion Amt	555.2																										
28	14	FTR Hourly Allocation Amt	555.14																										
30	15	FTR Monthly Allocation Amt	555.15																										
32	17	FTR Yearly Allocation Amt	555.17																										
31	16	FTR Monthly Transaction Amt	555.16																										
	38	FTR_ARR_FTR_TXN	555.38																										
	39	FTR_ARR_ARR_TXN	555.39																										
	41	FTR_ARR_STG2_DIST	555.41																										
TOTAL				\$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	(1,440,941.40)												
RSG & Make Whole Payments																													
10	10	DA Revenue Sufficiency Guarantee Distribution Amt	555.1																										
11	11	DA Revenue Sufficiency Guarantee Make Whole Pymt Amt	555.11																										
24	29	RT Revenue Sufficiency Guarantee First Pass Distribution Amt	555.29																										
25	30	RT Revenue Sufficiency Guarantee Make Whole Pymt Amt	555.3																										
TOTAL				\$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	(392,066.21)												
Revenue Neutrality Uplift																													
23	28	RT Revenue Neutrality Uplift Amt	555.28																										
TOTAL				\$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	76,677.19												
Other Charges																													
20	25	RT Misc Amt	555.25																										
21	27	RT Net Inadvertent Amt	555.27																										
26	31	RT Uninstructed Deviation Amt	555.31																										
TOTAL				\$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	8,365.63												
Grandfathered Charge Types																													
6	5	DA Congestion Rebate on COGA	555.05																										
7	6	DA Losses Rebate on COGA	555.06																										
8	7	DA Congestion Rebate on Option B GFA	555.07																										
9	8	DA Losses Rebate on Option B GFA	555.08																										
17	22	RT Congestion Rebate on COGA	555.22																										
18	23	RT Loss Rebate on COGA	555.23																										
TOTAL				\$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	-												
TOTAL MISO DAY 2 CHARGES - Non-Fuel Clause Adjustment				\$	(2,809,912.09)	\$	(1,352,503.40)	\$	2,321,320.87	\$	5,960,941.60	\$	3,275,514.71	\$	8,570,397.12	\$	(2,059,195.75)	\$	(480,283.92)	\$	-	\$	-	\$	-	\$	13,426,279.14		
Less Schedule 16 & 17 (Lines 1, 13, and 18)				\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
TOTAL FOR MN COST OF ENERGY ADJUSTMENT				\$	(2,809,912.09)	\$	(1,352,503.40)	\$	2,321,320.87	\$	5,960,941.60	\$	3,275,514.71	\$	8,570,397.12	\$	(2,059,195.75)	\$	(480,283.92)	\$	-	\$	-	\$	-	\$	-	\$	13,426,279.14

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9/25/2008 13:21		Otter Tail Power Company									
		Detail of MISO Day 2 Charges by Charge Group for Current Month									
		August 2008* includes any adjustments									
DoC No.	Line #	Charge Type Description	(A) Acct	(B) Retail Debits	(C) Retail Credits	(D) Retail Adjustments	(E) Net Retail	(F) Net Intersystem	(G) Total	(H)** Charge types with MWH for Retail	
Day Ahead & Real Time Asset & Non Asset Energy & Loss											
1	2	DA Asset Energy Amt	555.02	\$ 25,448,349.41	\$ (23,952,884.81)	\$ -	\$ 1,495,464.60			505,258	(472,632)
3	4	DA FBT Loss Amt	555.04	\$ 845,954.66	\$ -	\$ -	\$ 845,954.66			-	-
5	9	DA Non-asset Energy Amt	555.09	\$ 530,185.60	\$ (1,459,909.35)	\$ -	\$ (929,723.75)			9,977	(22,754)
13	19	RT Asset Energy Amt	555.19	\$ 570,174.34	\$ (1,217,937.07)	\$ 405,873.84	\$ (241,888.89)			15,394	(29,870)
14	24	RT Distribution of Losses Amt	555.24	\$ -	\$ (92,548.19)	\$ -	\$ (96,117.51)			-	-
16	21	RT FBT Loss Amt	555.21	\$ -	\$ -	\$ -	\$ -			-	-
22	26	RT Non-Asset Energy Amt	555.26	\$ 453,027.37	\$ (449,053.92)	\$ -	\$ 3,973.45			6,470	(6,405)
		TOTAL		\$ 27,847,691.38	\$ (27,172,333.34)	\$ 402,304.52	\$ 1,077,662.56	\$ -	\$ -	537,099	(531,662)
Virtual Energy											
12	12	DA Virtual Energy Amt	555.12	\$ -	\$ -	\$ -	\$ -			-	-
27	32	RT Virtual Energy Amt	555.32	\$ -	\$ -	\$ -	\$ -			-	-
		TOTAL		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	-
Schedules 16 & 17											
4	1	DA Mkt Admin Amt	555.01	\$ 40,332.20	\$ -	\$ -	\$ 40,332.20			-	-
19	18	RT Mkt Admin Amt	555.18	\$ 3,146.34	\$ (0.22)	\$ (149.93)	\$ 2,996.19			-	-
29	13	FTR Mkt Admin Amt	555.13	\$ 5,552.88	\$ -	\$ -	\$ 5,552.88			-	-
		TOTAL		\$ 49,031.42	\$ (0.22)	\$ (149.93)	\$ 48,881.27	\$ -	\$ -	-	-
Congest & FTRs											
2	3	DA FBT Congestion Amt	555.03	\$ 1,532,406.03	\$ (129,397.42)	\$ -	\$ 1,403,008.61			-	-
15	20	RT FBT Congestion Amt	555.20	\$ -	\$ -	\$ -	\$ -			-	-
28	14	FTR Hourly Allocation Amt	555.14	\$ 124,086.06	\$ (24,099.15)	\$ 9.28	\$ 99,996.19			-	-
30	15	FTR Monthly Allocation Amt	555.15	\$ -	\$ (12,142.59)	\$ (0.51)	\$ (12,143.10)			-	-
32	17	FTR Yearly Allocation Amt	555.17	\$ -	\$ -	\$ -	\$ -			-	-
31	16	FTR Monthly Transaction Amt	555.16	\$ 13,333.00	\$ (13,770.47)	\$ 0.01	\$ (437.46)			-	-
	38	FTR_ARR_FTR_TXN	555.38	\$ 15,044.57	\$ (40,179.58)	\$ -	\$ (25,135.01)			-	-
	39	FTR_ARR_ARR_TXN	555.39	\$ 40,179.48	\$ (15,044.57)	\$ -	\$ 25,134.91			-	-
	41	FTR_ARR_STG2_DIST	555.41	\$ -	\$ (36,760.35)	\$ -	\$ (36,760.35)			-	-
		TOTAL		\$ 1,725,049.14	\$ (271,394.13)	\$ 8.78	\$ 1,453,663.79	\$ -	\$ -	-	-
RSG & Make Whole Payments											
10	10	DA Revenue Sufficiency Guarantee Distribution Amt	555.10	\$ 3,946.15	\$ -	\$ 54.33	\$ 4,000.48			-	-
11	11	DA Revenue Sufficiency Guarantee Make Whole Pymt Amt	555.11	\$ -	\$ (16.37)	\$ -	\$ (16.37)			-	-
24	29	RT Revenue Sufficiency Guarantee First Pass Distribution Amt	555.29	\$ 15,648.54	\$ -	\$ 8,721.10	\$ 24,369.64			-	-
25	30	RT Revenue Sufficiency Guarantee Make Whole Pymt Amt	555.30	\$ -	\$ (36,988.59)	\$ (1,094.55)	\$ (38,083.14)			-	-
		TOTAL		\$ 19,594.69	\$ (37,004.96)	\$ 7,680.88	\$ (9,729.39)	\$ -	\$ -	-	-
Revenue Neutrality Uplift											
23	28	RT Revenue Neutrality Uplift Amt	555.28	\$ 44,225.88	\$ (5,420.08)	\$ 24,197.24	\$ 63,003.04			-	-
		TOTAL		\$ 44,225.88	\$ (5,420.08)	\$ 24,197.24	\$ 63,003.04	\$ -	\$ -	-	-
Other Charges											
20	25	RT Misc Amt	555.25	\$ -	\$ (1,514.82)	\$ (10,472.84)	\$ (11,987.66)			-	-
21	27	RT Net Inadvertent Amt	555.27	\$ 10,544.75	\$ (2,163.93)	\$ (9,085.70)	\$ (704.88)			-	-
26	31	RT Uninstructed Deviation Amt	555.31	\$ 246.95	\$ -	\$ -	\$ 246.95			-	-
		TOTAL		\$ 10,791.70	\$ (3,678.75)	\$ (19,558.54)	\$ (12,445.59)	\$ -	\$ -	-	-
Grandfathered Charge Types											
6	5	DA Congestion Rebate on COGA	555.05	\$ -	\$ -	\$ -	\$ -			-	-
7	6	DA Losses Rebate on COGA	555.06	\$ -	\$ -	\$ -	\$ -			-	-
8	7	DA Congestion Rebate on Option B GFA	555.07	\$ -	\$ (1,404,480.23)	\$ -	\$ (1,404,480.23)			-	-
9	8	DA Losses Rebate on Option B GFA	555.08	\$ -	\$ (420,801.57)	\$ -	\$ (420,801.57)			-	-
17	22	RT Congestion Rebate on COGA	555.22	\$ -	\$ -	\$ -	\$ -			-	-
18	23	RT Loss Rebate on COGA	555.23	\$ -	\$ -	\$ -	\$ -			-	-
		TOTAL		\$ -	\$ (1,825,281.80)	\$ -	\$ (1,825,281.80)	\$ -	\$ -	-	-
TOTAL MISO DAY 2 CHARGES				\$ 29,696,384.21	\$ (29,315,113.28)	\$ 414,482.95	\$ 795,753.88	\$ (480,283.92)	\$ 315,469.96	537,099	(531,662)
Less Schedule 16 & 17 (Lines 1, 13, and 18)				\$ (49,031.42)	\$ 0.22	\$ 149.93	\$ (48,881.27)				
TOTAL FOR ND COST OF ENERGY ADJUSTMENT				\$ 29,647,352.79	\$ (29,315,113.06)	\$ 414,632.88	\$ 746,872.61				
Net MISO Charges for Retail = (B) + (C) + (D)					\$ 746,872.61						
Net KWH for retail = ((G) + (H)) * 1,000					5,436,917					5,436,917	
* covers time period of 07-29-08 to 08-27-08 ** increased for losses of 2.8%											
					Net MISO KWH (adjusted cumulatively)						
MISO Book Totals				\$ 332,239.73			5,436,917				
August Adjustments				\$ 414,632.88			7,018,995				
Total MISO				\$ 746,872.61			12,455,912				

Otter Tail Power Company
Plant Conditions

Plant Conditions for August 2008

Big Stone: The unit generated 289,678 net MWh for the month. Availability was 96.4% for the month and equivalent availability was 93.4%. There was one outage due to a tube leak. Total time off line was 25 hours, 34 minutes. Fuel prices were about on budget.

Coyote: The Unit generated 282,564 mWh net for the month of August. August was the second month this year with 100% availability. Equivalent availability was 99.8%, with two derates during the month, one for coal quality and another for high ambient temperatures. Fuel costs were 12% above budget for the month, with another significant increase occurring in the 3rd quarter fuel price from the mine. This is in addition to the large increase in coal price in the 2nd quarter. The main drivers for the 3rd quarter increase were significant increases to the Producer Price Index for light fuel oil, explosives, and steel mill products.

Hoot Lake: Unit 2 generated 31,989 MWh net in August. It had an availability of 99.4% and equivalent availability of 95.6 percent. The Unit's net capacity factor was 82.7 percent. Fuel costs were about 3% over budget.

Unit 3 generated 44,854 MWh net for the month. It had an availability and equivalent availability of 100 percent. The net capacity factor for July was 82.6 percent. Fuel costs were about 3% over budget.

Plant Conditions for July 2008

Big Stone: The unit generated 304,573 net MWh for the month. Availability was 100% for the month and our equivalent availability was 95.8%. Fuel prices were about on budget.

Coyote: The Unit generated 276,626 MWh net for the month of July. This was the first month of the year with 100% availability. Fuel costs were 12% above budget for the month, with another significant increase occurring in the 3rd quarter fuel price from the mine. This is in addition to the large increase in coal price in the 2nd quarter. The main drivers for the 3rd quarter increase were significant increases to the Producer Price Index for light fuel oil, explosives, and steel mill products.

Hoot Lake: Unit 2 generated 29,267 MWh net in July. The unit had an availability of 95.0% and equivalent availability of 91.4 percent. The Unit's net capacity factor was 75.6 percent. There was one outage for generator balancing. Fuel costs were about 4% over budget.

Unit 3 generated 44,771 MWh net. The Unit had an availability and equivalent availability of 100 percent. The net capacity factor for July was 82.4percent. Fuel costs were about 4% over budget.