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OCT 28 2008

PUBLIC SERVICE COMMISSION



**VIA ELECTRONIC DELIVERY**

October 27, 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 September 30, 2008, the rate for the Cost of Energy Adjustment is \$.0099 per kWh. Otter Tail Power Company proposes to bill at this rate effective November 3, 2008.

The following additional information is provided:

Average costs from previous month's adjustment:	\$ .023691
Average costs from current month's adjustment:	\$ .026358
Difference – (Increase) Decrease:	(\$ .002667)

The net effect of this fuel adjustment is to increase the rate by \$.0027. The total resulting adjustment for the current billing period will then be \$.0099 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-08-845** Filed: 10/28/2008 Pages: 8  
**November 2008 Fuel Cost Adjustment**

Otter Tail Corporation

Mr. Darrel Nitschke  
October 27, 2008  
Page Two

**Otter Tail Power Company submits seven (7) copies each of the following:**

- 1) Calculation of the November 2008 Cost of Energy Adjustment Clause based on the four-month period ending September 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 August and September 2008 marked as Attachment E.

Sincerely,



Jill R. Björgum  
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 NOVEMBER 3, 2008

EFFECTIVE 11/03/08  
 CYCLE '1'  
 RATE LEVEL 44

<b>ENERGY COSTS</b>	2008 <u>June</u>	2008 <u>July</u>	2008 <u>August</u>	2008 <u>September</u>	Total <u>This Period</u>
Purchased Power	\$ 2,429,114	\$ 7,965,217	\$ 13,295,808	\$ 7,192,854	\$ 30,882,994
Steam Plant Generation	\$ 4,850,786	\$ 6,086,198	\$ 6,055,579	\$ 4,854,401	\$ 21,846,964
Other Plant Generation	\$ 85,733	\$ 962,603	\$ 565,111	\$ 208,752	\$ 1,822,199
Hydro Plant Generation	\$ -	\$ -	\$ -	\$ -	\$ -
Coyote Coal Conv. Tax	\$ 25,074	\$ 25,910	\$ 25,910	\$ 25,074	\$ 101,968
Less: Intersystem Sales	\$ (1,335,213)	\$ (7,803,709)	\$ (12,762,026)	\$ (6,525,421)	\$ (28,426,369)
Net Retail MISO Day 2	\$ 1,575,677	\$ 618,573	\$ 746,873	\$ 1,743,137	\$ 4,684,260
<b>NET ENERGY COSTS</b>	<b>\$ 7,631,172</b>	<b>\$ 7,854,792</b>	<b>\$ 7,927,254</b>	<b>\$ 7,498,797</b>	<b>\$ 30,912,015</b>

Prior (over) under recovery \$ (2,183,986)

Adjusted Net Energy Costs \$ 28,728,029

**ASSOCIATED ENERGY -- KWH**

Net Generation - Steam	250,111,094	322,698,996	317,856,794	251,996,063	1,142,662,947
Other Plant IC Generation	352,230	7,969,690	5,289,726	2,918,587	16,530,233
Hydro Plant Generation	2,201,549	1,971,568	1,688,922	1,392,796	7,254,835
Wind	11,744,147	8,708,875	10,931,575	8,957,082	40,341,679
Purchased Power	303,431,218	404,592,706	455,421,854	407,517,793	1,570,963,571
Total Energy	567,840,238	745,941,835	791,188,871	672,782,321	2,777,753,265
Less Intersystem Sales	(308,063,815)	(426,855,084)	(471,944,339)	(426,333,192)	(1,633,196,430)
Net Retail MISO Day 2	27,229,020	6,275,410	12,455,912	48,031,055	93,991,397
Net Energy - KWHs	287,005,443	325,362,161	331,700,444	294,480,184	1,238,548,232

Energy Adjusted to Retail Sales (Net Energy X (1.00 - .12)) 1,089,922,444

Delivered Cost per kWh \$ 0.026358

Base Cost per kWh \$ 0.016473

Energy Cost Adjustment -- Per kWh **\$ 0.0099**

**TRUE UP FOR SEPTEMBER**

1) Net Energy (kWhs) Less 12% Losses	259,142,562
2) Net Energy Costs for the System -- Most recent month	\$ 7,498,797
3) Base Cost Recovered (1 X Base Cost of Fuel)	\$ 4,268,855
4) Net to be Recovered from COE (2 - 3)	\$ 3,229,942
5) COE Recovery Rate Effective for September	\$ 0.0056
6) Amount Recovered by COE (5 X 1)	\$ 1,451,198
7) Over / (Under) Recovery (4 - 6)	\$ (1,778,744)
8) Cumulative Over / (Under) Recovery	\$ 2,183,986



Doc No.	Line #	Charge Type Description	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	YEAR TO DATE
<b>Other Tall Power Company</b>															
<b>Monthly MISO Day 2 Charges for ND Fuel Clause Adjustment</b>															
January - December 2008															
Includes Any Adjustments															
<b>Day Ahead &amp; Real Time Asset &amp; Non Asset Energy &amp; Loss</b>															
555.02	2	DA Asset Energy Amt	\$ 4,381,994.18	\$ 6,453,628.27	\$ 3,800,146.98	\$ 2,756,981.31	\$ 2,610,136.79	\$ 2,636,801.91	\$ 1,423,447.33	\$ 1,495,464.60	\$ 1,043,368.95	\$ -	\$ -	\$ -	\$ 26,596,073.22
555.04	3	DA FBT Loss Amt	\$ 1,020,052.98	\$ 1,265,087.21	\$ 1,325,481.58	\$ 1,091,682.99	\$ 445,377.59	\$ 368,073.49	\$ 822,725.01	\$ 845,954.66	\$ 534,240.58	\$ -	\$ -	\$ -	\$ 7,926,676.09
555.09	5	DA Non-asset Energy Amt	\$ 104,227.57	\$ 75,350.00	\$ 644,466.42	\$ 777,796.77	\$ 1,726,564.50	\$ 801,323.75	\$ 993,420.46	\$ 929,233.75	\$ 669,894.09	\$ -	\$ -	\$ -	\$ 5,726,676.37
555.13	13	RT Asset Energy Amt	\$ 336,707.39	\$ 1,682,689.39	\$ 2,279,682.00	\$ 2,106,127.57	\$ 1,323,473.39	\$ 1,334,788.91	\$ 1,334,788.91	\$ 241,552.88	\$ 1,109,728.95	\$ -	\$ -	\$ -	\$ 7,549,056.81
555.24	14	RT Distribution of Losses Amt	\$ 221,976.42	\$ 380,805.74	\$ 207,619.69	\$ 57,370.11	\$ 49,827.27	\$ 94,332.76	\$ 66,331.67	\$ 96,117.51	\$ 72,655.59	\$ -	\$ -	\$ -	\$ 1,246,836.76
555.21	16	RT FBT Loss Amt	\$ 12,894.12	\$ 9,755.75	\$ 27,498.66	\$ 15,455.11	\$ 855.35	\$ 20,102.66	\$ 1,734.68	\$ 3,273.45	\$ 5,336.82	\$ -	\$ -	\$ -	\$ 71,819.36
555.26	22	RT Non-Asset Energy Amt	\$ 4,735,241.76	\$ 5,885,626.04	\$ 2,021,359.11	\$ 921,922.96	\$ 956,706.57	\$ 1,766,862.74	\$ 1,053,396.37	\$ 1,077,662.56	\$ 1,950,126.62	\$ -	\$ -	\$ -	\$ 20,073,904.73
<b>Virtual Energy</b>															
555.12	12	DA Virtual Energy Amt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,945.00	\$ -	\$ -	\$ -	\$ 30,945.00
555.32	27	RT Virtual Energy Amt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,146.03	\$ -	\$ -	\$ -	\$ 36,146.03
<b>Schedules 16 &amp; 17</b>															
555.01	4	DA Mkt Admin Amt	\$ 59,960.37	\$ 81,913.83	\$ 47,809.47	\$ 46,740.13	\$ 37,616.51	\$ 46,750.54	\$ 43,404.59	\$ 40,332.20	\$ 40,272.17	\$ -	\$ -	\$ -	\$ 444,795.81
555.18	19	RT Mkt Admin Amt	\$ 3,644.33	\$ 5,577.74	\$ 4,043.42	\$ 4,933.79	\$ 3,737.63	\$ 4,040.22	\$ 2,165.43	\$ 2,996.19	\$ 2,027.83	\$ -	\$ -	\$ -	\$ 33,146.58
555.13	29	FTR Mkt Admin Amt	\$ 3,768.55	\$ 4,022.82	\$ 3,202.85	\$ 2,202.59	\$ 2,459.34	\$ 5,202.69	\$ 4,324.61	\$ 5,552.88	\$ 5,637.34	\$ -	\$ -	\$ -	\$ 36,573.07
<b>Congest &amp; FTRs</b>															
555.03	2	DA FBT Congestion Amt	\$ 40,280.69	\$ 11,880.26	\$ 30,672.12	\$ 44,840.10	\$ 13,793.55	\$ 78,816.22	\$ 33,885.13	\$ 1,403,008.61	\$ 258,817.25	\$ -	\$ -	\$ -	\$ 1,730,774.39
555.20	15	RT FBT Congestion Amt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
555.14	28	FTR Hourly Allocation Amt	\$ 6,557.65	\$ 10,715.87	\$ 6,165.07	\$ 6,840.82	\$ 84.22	\$ 62,850.10	\$ 90,179.19	\$ 95,996.19	\$ 9,777.16	\$ -	\$ -	\$ -	\$ 64,987.81
555.15	30	FTR Monthly Allocation Amt	\$ 14,795.15	\$ 941.93	\$ 202.53	\$ 36.32	\$ 33.78	\$ 112.67	\$ 4,514.73	\$ 12,143.10	\$ 1,324.52	\$ -	\$ -	\$ -	\$ 34,104.73
555.17	32	FTR Yearly Allocation Amt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,564.19	\$ 653,059.78	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 654,623.97
555.16	31	FTR Monthly Transaction Amt	\$ -	\$ 198.21	\$ 27.93	\$ 14.36	\$ 88.12	\$ 12.25	\$ 4,035.00	\$ 437.48	\$ 14.23	\$ -	\$ -	\$ -	\$ 3,556.22
555.38	38	FTR ARR, FTR, TXN	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,135.01	\$ 25,135.01	\$ 39,412.16	\$ -	\$ -	\$ -	\$ -	\$ 114,817.93
555.39	39	FTR ARR, FTR, TXN	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,134.91	\$ 25,134.91	\$ 39,412.60	\$ -	\$ -	\$ -	\$ -	\$ 114,817.93
555.41	41	FTR ARR STGE, DIST	\$ 18,927.89	\$ 21,455.99	\$ 25,332.45	\$ 42,613.13	\$ 666,877.21	\$ 196,466.27	\$ 38,801.27	\$ 3,367,603.50	\$ 242,668.68	\$ -	\$ -	\$ -	\$ 4,046,866.95
<b>RSG &amp; Make Whole Payments</b>															
555.10	10	DA Revenue Sufficiency Guarantee Distribution Amt	\$ 16,848.88	\$ 23,072.69	\$ 14,489.31	\$ 5,156.11	\$ 4,925.42	\$ 14,509.21	\$ 5,817.22	\$ 4,000.48	\$ 3,824.57	\$ -	\$ -	\$ -	\$ 92,443.69
555.11	11	DA Revenue Sufficiency Guarantee Make Whole Pmt Amt	\$ -	\$ 442.29	\$ 2,034.49	\$ 60.40	\$ -	\$ 12,316.08	\$ 988.16	\$ -	\$ 12,207.90	\$ -	\$ -	\$ -	\$ 8,035.69
555.28	24	RT Revenue Sufficiency Guarantee First Pass Distribution Amt	\$ 34,488.11	\$ 76,435.96	\$ 93,421.93	\$ 112,487.38	\$ 30,729.29	\$ 51,165.88	\$ 37,206.52	\$ 24,369.64	\$ 27,289.34	\$ -	\$ -	\$ -	\$ 489,594.05
555.30	30	RT Revenue Sufficiency Guarantee Make Whole Pmt Amt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 121,555.52	\$ 1,886,091.14	\$ 98,983.14	\$ 8,797.08	\$ -	\$ -	\$ -	\$ 2,015,427.88
<b>Revenue Neutrality Uplift</b>															
555.28	28	RT Revenue Neutrality Uplift Amt	\$ 108,425.46	\$ 133,352.41	\$ 76,232.16	\$ 67,563.96	\$ 38,736.90	\$ 138,176.58	\$ 52,575.78	\$ 63,003.04	\$ 44,729.38	\$ -	\$ -	\$ -	\$ 722,795.87
<b>Other Charges</b>															
555.25	20	RT Misc Amt	\$ 12,161.61	\$ 28.34	\$ 0.05	\$ 0.05	\$ 356.39	\$ 8,061.03	\$ 316.63	\$ 11,987.66	\$ 12,735.21	\$ -	\$ -	\$ -	\$ 67,522.63
555.27	21	RT Net Inadherent Amt	\$ 12,746.68	\$ 12,888.77	\$ 32,105.90	\$ 32,516.22	\$ 7,416.41	\$ 208.23	\$ 5,897.87	\$ 7,044.88	\$ 1,995.06	\$ -	\$ -	\$ -	\$ 53,456.90
555.31	26	RT Unstructured Deviation Amt	\$ 1,585.86	\$ 9.63	\$ 30.36	\$ 3,195.92	\$ 2,698.69	\$ 2,348.12	\$ 494.01	\$ 246.95	\$ 7,705.15	\$ -	\$ -	\$ -	\$ 9,743.69
<b>Grandfathered Charge Types</b>															
555.05	5	DA Congestion Rebate on COGA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
555.06	6	DA Losses Rebate on COGA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
555.07	7	DA Congestion Rebate on Option B GFA	\$ 40,120.49	\$ 111,385.64	\$ 30,395.12	\$ 44,437.66	\$ 13,745.67	\$ 78,457.96	\$ 33,826.37	\$ 11,404,480.23	\$ 259,566.85	\$ -	\$ -	\$ -	\$ 1,731,988.73
555.08	8	DA Losses Rebate on Option B GFA	\$ 512,095.75	\$ 629,453.98	\$ 659,648.42	\$ 543,404.04	\$ 221,084.95	\$ 282,504.86	\$ 409,222.53	\$ 420,801.57	\$ 285,668.24	\$ -	\$ -	\$ -	\$ 3,943,864.34
555.22	17	RT Congestion Rebate on COGA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
555.23	18	RT Loss Rebate on COGA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>															
TOTAL MISO DAY 2 CHARGES - Fuel Clause Adjustment			\$ 4,414,340.21	\$ 5,279,304.77	\$ 1,625,988.98	\$ 651,560.09	\$ 204,930.99	\$ 1,631,669.97	\$ 668,487.47	\$ 795,753.88	\$ 1,791,274.83	\$ -	\$ -	\$ -	\$ 17,063,291.15
Less Schedule 16 & 17 (Lines 1, 13, and 18)			\$ 67,313.25	\$ 91,494.39	\$ 65,005.74	\$ 53,676.51	\$ 43,809.48	\$ 55,992.85	\$ 48,881.27	\$ 48,137.34	\$ 48,137.34	\$ -	\$ -	\$ -	\$ 316,515.46
<b>TOTAL FOR MIN COST OF ENERGY ADJUSTMENT</b>			\$ 4,346,996.96	\$ 5,187,810.38	\$ 1,570,983.24	\$ 597,883.58	\$ 161,121.47	\$ 1,575,677.12	\$ 618,572.84	\$ 746,617.61	\$ 1,743,137.49	\$ -	\$ -	\$ -	\$ 16,546,775.69

Public Document - Trade Secret Data Has Been Excised

Doc No.	Line #	Charge Type Description	Acct	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	YEAR TO DATE	
Otter Tail Power Company Monthly MISO Day 2 Charges for ND Non-Fuel Clause Adjustment January - December 2008 Includes Any Adjustments																	
	1	Day Ahead & Real Time Asset & Non Asset Energy & Loss															
	2	DA Asset Energy Amt	555.02														
	3	DA FBT Loss Amt	555.04														
	5	DA Non-asset Energy Amt	555.09														
	13	RT Asset Energy Amt	555.19														
	14	RT Distribution of Losses Amt	555.24														
	16	RT FBT Loss Amt	555.21														
	22	RT Non-Asset Energy Amt	555.26														
		<b>TOTAL</b>														\$ 20,721,471.72	
	12	DA Virtual Energy Amt	555.12														
	27	RT Virtual Energy Amt	555.32														
		<b>TOTAL</b>														\$ (156,235.00)	
	<b>Schedules 16 &amp; 17</b>																
	4	DA Mkt Admin Amt	555.01														
	19	RT Mkt Admin Amt	555.18														
	29	FTR Mkt Admin Amt	555.13														
		<b>TOTAL</b>														\$ 167,760.80	
	<b>Congest &amp; FTRs</b>																
	2	DA FBT Congestion Amt	555.03														
	15	RT FBT Congestion Amt	555.2														
	28	FTR Hourly Allocation Amt	555.14														
	30	FTR Monthly Allocation Amt	555.15														
	32	FTR Yearly Allocation Amt	555.17														
	31	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														
		<b>TOTAL</b>														\$ (1,100,553.09)	
	<b>RSG &amp; Make Whole Payments</b>																
	10	DA Revenue Sufficiency Guarantee Distribution Amt	555.1														
	11	DA Revenue Sufficiency Guarantee Make Whole Pymt Amt	555.11														
	24	RT Revenue Sufficiency Guarantee First Pass Distribution Amt	555.29														
	25	RT Revenue Sufficiency Guarantee Make Whole Pymt Amt	555.3														
		<b>TOTAL</b>														\$ (408,672.43)	
	<b>Revenue Neutrality Uplift</b>																
	23	RT Revenue Neutrality Uplift Amt	555.28														
		<b>TOTAL</b>														\$ 83,201.09	
	<b>Other Charges</b>																
	20	RT Misc Amt	555.25														
	21	RT Net Inadvertent Amt	555.27														
	26	RT Uninstructed Deviation Amt	555.31														
		<b>TOTAL</b>														\$ 22,361.03	
	<b>Grandfathered Charge Types</b>																
	6	DA Congestion Rebate on COGA	555.05														
	7	DA Losses Rebate on COGA	555.06														
	8	DA Congestion Rebate on Option B GFA	555.07														
	9	DA Losses Rebate on Option B GFA	555.08														
	17	RT Congestion Rebate on COGA	555.22														
	18	RT Loss Rebate on COGA	555.23														
		<b>TOTAL</b>														\$ -	
	<b>TOTAL MISO DAY 2 CHARGES - Non-Fuel Clause Adjustment</b>																
				\$ (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)	\$ 5,903,034.98	\$ -	\$ -	\$ -	\$ 19,329,314.12	
		Less Schedule 16 & 17 (Lines 1, 13, and 18)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		<b>TOTAL FOR MN COST OF ENERGY ADJUSTMENT</b>		\$ (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)	\$ 5,903,034.98	\$ -	\$ -	\$ -	\$ 19,329,314.12	

Public Document - Trade Secret Data Has Been Excised

Doc No.	Line #	Day Ahead & Real Time Asset & Non Asset Energy & Loss	(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
Otter Tail Power Company Detail of MISO Day 2 Charges by Charge Group for Current Month - ND September 2008* includes any adjustments										
1	2	DA Asset Energy Amt	555.02	\$ 17,595,315.59	\$ (16,461,949.64)	\$ -	\$ 1,043,365.95	\$ -	\$ 1,043,365.95	482,306 (451,105)
3	4	DA Loss	555.04	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
5	5	DA Non-Asset Energy Amt	555.06	\$ 534,240.58	\$ (1,014,395.70)	\$ -	\$ (480,155.12)	\$ -	\$ (480,155.12)	9,633 (22,908)
13	19	RT Asset Energy Amt	555.19	\$ 750,296.19	\$ (405,333.27)	\$ 764,666.03	\$ (69,999.89)	\$ -	\$ (69,999.89)	24,624 (12,746)
14	21	RT Distribution of Losses Amt	555.24	\$ -	\$ (62,258.94)	\$ (110,396.65)	\$ (72,655.58)	\$ -	\$ (72,655.58)	-
16	24	RT FBT Loss Amt	555.21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
22	26	RT Non-Asset Energy Amt	555.26	\$ 40,189.10	\$ (34,852.29)	\$ -	\$ 5,336.82	\$ -	\$ 5,336.82	1,369 (1,192)
		<b>TOTAL</b>		\$ 19,174,576.07	\$ (17,978,720.83)	\$ 754,269.38	\$ 1,950,126.62	\$ -	\$ 1,950,126.62	517,952 (467,952)
<b>Virtual Energy</b>										
12	12	DA Virtual Energy Amt	555.12	\$ 39,946.00	\$ -	\$ -	\$ 39,946.00	\$ -	\$ 39,946.00	822 (822)
27	32	RT Virtual Energy Amt	555.32	\$ 39,946.00	\$ (36,146.03)	\$ -	\$ 3,801.97	\$ -	\$ 3,801.97	822 (822)
		<b>TOTAL</b>		\$ 79,892.00	\$ (36,146.03)	\$ -	\$ 43,745.97	\$ -	\$ 43,745.97	-
<b>Schedules 16 &amp; 17</b>										
4	18	DA Mkt Admin Amt	555.01	\$ 40,275.17	\$ -	\$ -	\$ 40,275.17	\$ -	\$ 40,275.17	-
29	13	FTR Mkt Admin Amt	555.13	\$ 5,837.34	\$ (0.22)	\$ (1,024.34)	\$ 4,812.88	\$ -	\$ 4,812.88	-
		<b>TOTAL</b>		\$ 46,112.51	\$ (0.22)	\$ (1,024.34)	\$ 45,088.01	\$ -	\$ 45,088.01	-
<b>Congest &amp; FTRs</b>										
2	3	DA FBT Congestion Amt	555.03	\$ 315,570.29	\$ (56,733.04)	\$ -	\$ 258,837.25	\$ -	\$ 258,837.25	-
15	20	RT FBT Congestion Amt	555.20	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
28	14	FTR Hourly Allocation Amt	555.14	\$ 63,897.97	\$ (54,120.86)	\$ 0.07	\$ 9,777.18	\$ -	\$ 9,777.18	-
30	15	FTR Monthly Allocation Amt	555.15	\$ -	\$ (1,361.09)	\$ 36.57	\$ (1,324.52)	\$ -	\$ (1,324.52)	-
32	17	FTR Yearly Allocation Amt	555.17	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
31	16	FTR Allocation Amt	555.16	\$ 6,487.69	\$ (6,487.69)	\$ 14.23	\$ 14.23	\$ -	\$ 14.23	-
36	55	FTR ABR FTR TXN	555.39	\$ 47,236.56	\$ (47,236.56)	\$ -	\$ -	\$ -	\$ -	-
39	39	FTR ABR FTR TXN	555.39	\$ 47,236.56	\$ (47,236.56)	\$ -	\$ -	\$ -	\$ -	-
41	41	FTR ABR STIG2 DIST	555.41	\$ 441,140.51	\$ (198,243.58)	\$ (279.12)	\$ 242,616.90	\$ -	\$ 242,616.90	-
		<b>TOTAL</b>		\$ 817,055.02	\$ (209,784.12)	\$ (279.12)	\$ 607,001.78	\$ -	\$ 607,001.78	-
<b>RSG &amp; Make Whole Payments</b>										
10	10	DA Revenue Sufficiency Guarantee Distribution Amt	555.10	\$ 3,818.49	\$ -	\$ 6.08	\$ 3,824.57	\$ -	\$ 3,824.57	-
11	11	DA Revenue Sufficiency Guarantee Make Whole Pymt Amt	555.11	\$ -	\$ (2,207.90)	\$ -	\$ (2,207.90)	\$ -	\$ (2,207.90)	-
24	24	RT Revenue Sufficiency Guarantee First Pass Distribution Amt	555.29	\$ 23,918.67	\$ -	\$ 3,370.67	\$ 27,289.34	\$ -	\$ 27,289.34	-
25	30	RT Revenue Sufficiency Guarantee Make Whole Pymt Amt	555.30	\$ -	\$ (7,158.96)	\$ (1,638.12)	\$ (8,797.08)	\$ -	\$ (8,797.08)	-
		<b>TOTAL</b>		\$ 27,737.16	\$ (9,388.86)	\$ 1,738.63	\$ 20,106.93	\$ -	\$ 20,106.93	-
<b>Revenue Neutrality</b>										
23	26	RT Revenue Neutrality Utilit Amt	555.28	\$ 48,529.81	\$ (16,290.59)	\$ 12,486.16	\$ 44,725.38	\$ -	\$ 44,725.38	-
		<b>TOTAL</b>		\$ 48,529.81	\$ (16,290.59)	\$ 12,486.16	\$ 44,725.38	\$ -	\$ 44,725.38	-
<b>Other Charges</b>										
20	25	RT Misc Amt	555.25	\$ -	\$ (2,430.53)	\$ (304.68)	\$ (2,735.21)	\$ -	\$ (2,735.21)	-
21	27	RT Net Inadvertent Amt	555.27	\$ 9,431.66	\$ (919.11)	\$ (6,543.49)	\$ 1,969.06	\$ -	\$ 1,969.06	-
26	31	RT Uninstructed Deviation Amt	555.31	\$ 7,946.36	\$ (243.21)	\$ (7,091.38)	\$ 6,937.00	\$ -	\$ 6,937.00	-
		<b>TOTAL</b>		\$ 17,378.02	\$ (3,349.64)	\$ (7,091.38)	\$ 6,937.00	\$ -	\$ 6,937.00	-
<b>Grandfathered Charge Types</b>										
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 CfA	555.07	\$ 8,045.30	\$ (267,612.15)	\$ -	\$ (259,566.85)	\$ -	\$ (259,566.85)	-
9	8	RT Losses Rebate on Option B CfA	555.08	\$ -	\$ (265,668.24)	\$ -	\$ (265,668.24)	\$ -	\$ (265,668.24)	-
17	22	RT Losses Rebate on COGA	555.22	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
18	23	RT Loss Rebate on COGA	555.23	\$ 8,045.30	\$ (553,280.39)	\$ -	\$ (545,235.09)	\$ -	\$ (545,235.09)	-
		<b>TOTAL</b>		\$ 16,090.60	\$ (823,560.78)	\$ -	\$ (807,470.18)	\$ -	\$ (807,470.18)	-
<b>TOTAL MISO DAY 2 CHARGES</b>										
		Less Schedule 16 & 17 (Lines 1, 13, and 18)		\$ 19,806,512.77	\$ (18,775,988.14)	\$ 760,160.20	\$ 1,791,274.83	\$ 5,903,034.08	\$ 7,694,309.81	518,775 (488,724)
<b>TOTAL FOR ND COST OF ENERGY ADJUSTMENT</b>										
				\$ 19,757,350.87	\$ (18,775,397.92)	\$ 761,184.54	\$ 1,743,137.49	\$ -	\$ 1,743,137.49	-
Net MISO Charges for Retail = (B) + (C) + (D) Net KWH for retail = ((G) + (H)) * 1,000 * covers time period of 08/27/08 to 09/28/08 ** increased for losses of 2.6%										
Net MISO KWH (adjusted cumulatively) Net Retail \$ 981,953.95 MISO Book Totals \$ 30,000.564 September Adjustments \$ 761,184.54 Total MISO \$ 1,743,137.49										
										30,000.564

Otter Tail Power Company  
Plant Conditions

**Plant Conditions for September 2008**

Big Stone: The unit generated 269,296 net MWh for the month. Availability was 95.6% for the month and equivalent availability was 92.5%. The unit was forced off on the 16<sup>th</sup> due to a leak that developed on a boiler feed pump recirc line. Fuel prices were about 2% over budget.

Coyote: The Unit generated 216,618 MWh net for the month of September. Availability for the month was 81.2% due to three outages. One of the outages was a scheduled wash outage, another was for a cyclone tube leak and the third was a short unit trip after coming online from the cyclone tube leak. Fuel costs were 15% above budget for the month, with another significant increase occurring in the 3<sup>rd</sup> quarter fuel price from the mine. This is in addition to the large increase in coal price in the 2<sup>nd</sup> quarter. The main drivers for the 3<sup>rd</sup> quarter increase were significant increases to the Producer Price Index for light fuel oil, explosives, and steel mill products.

Hoot Lake: Unit 2 generated 5,379.5 MWh net in September. The unit was down most of the month to deal with a generator vibration issue that has been an issue since the spring overhaul. Fuel costs were about 3% over budget.

Unit 3 generated 42,498.7 MWh net for the month. The Unit had an availability and equivalent availability of 100 percent. The net capacity factor for August was 80.9 percent. Fuel costs were about 3% over budget.

**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 3<sup>rd</sup> quarter fuel price from the mine. This is in addition to the large increase in coal price in the 2<sup>nd</sup> quarter. The main drivers for the 3<sup>rd</sup> 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.