

January 14, 2009

**Otter Tail Corporation
January 2009
Fuel Cost Adjustment**

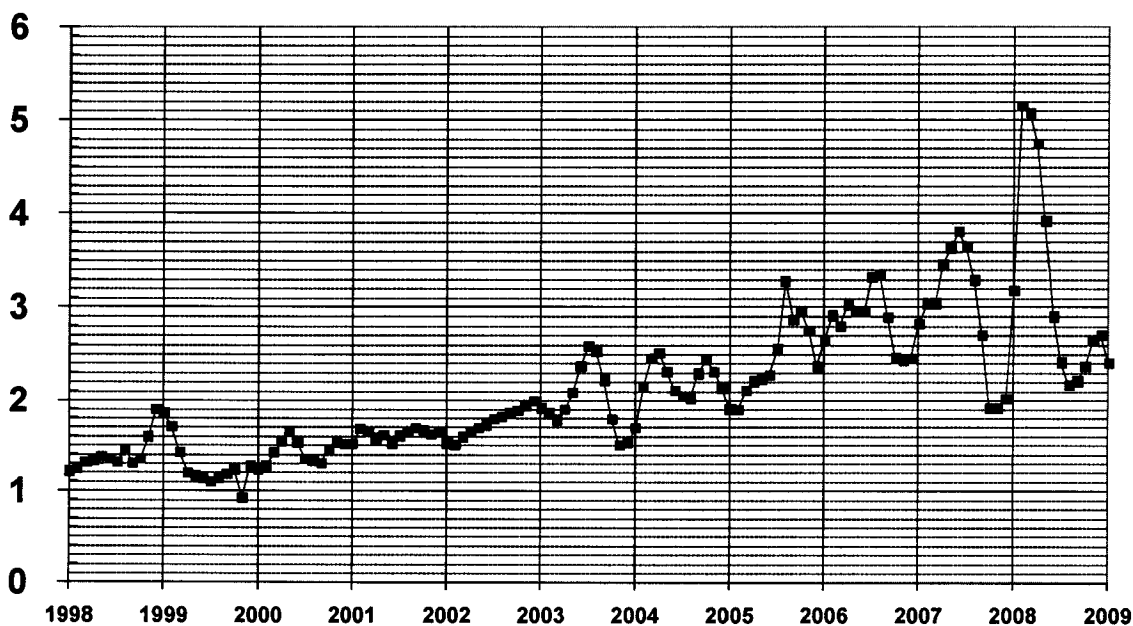
Case No. PU-09-17

Otter Tail Corporation **decreased** its electric fuel cost adjustment by 0.30 cents per kWh from 1.05 cents per kWh. Additionally, with the implementation of interim rates in Case No. PU-08-862, Otter Tail is restating the base cost of fuel from 1.6473 cents per kWh to \$3.0945 cents per kWh such that the resulting fuel cost adjustment for the month of January is a credit of -0.6900 cents per kWh.

Combining Otter Tail's fuel cost adjustment with its restated 3.0945 cents per kWh base cost of fuel already included in interim base tariff rates brings Otter Tail's total average cost of fuel and purchased energy for billing during the month of January to 2.40 cents per kWh as shown on the graph below.

As a result of this change, the electric bill for a typical Otter Tail residential customer consuming 750 kWh per month will decrease by \$2.25 for bills rendered in the month of January.

**OTP Cost of Fuel
Cents per kWh**



JM