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VIA ELECTRONIC DELIVERY

August 20, 2010

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 July 31, 2010, the rate for the Energy Adjustment Rider is (\$.0073) per kWh. Otter Tail Power Company proposes to bill at this rate effective September 1, 2010.

The following additional information is provided:

Average costs from previous month's adjustment:	\$.019412
Average costs from current month's adjustment:	\$.020681
Difference – (Increase) Decrease:	(\$.001269)

The net effect of this energy adjustment is to increase the rate by (\$.0013). The total resulting adjustment for the current billing period will then be (\$.0073) per kWh.

Information supporting the adjustment is enclosed. The costs reported in the supporting detail are based on the provisions of the Energy Adjustment Rider approved by the Commission on November 25, 2009, in Case No. PU-08-862. Effective with final rates in Case No. PU-08-862, the base cost of energy is \$0.028030. A detailed schedule of the items included in the calculation is enclosed.

17 PU-10-13 Filed 08/23/2010 Pages: 10
September 2010 Fuel Cost Adjustment
Otter Tail Power Company
Jill Bjorgum

Mr. Darrel Nitschke
August 20, 2010
Page Two

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

- 1) Calculation of the September 2010 Energy Adjustment Rider based on the four-month period ending July 2010.

Included in the True Up for June is an adjustment of (\$17,788) for Forecast of Margins effective April 2, 2010, due to an inadvertent update to the calculation filed on March 30, 2010. The small correction does not affect the Energy Cost Adjustment rate to the customer.

- 2) Monthly Detail of MISO Day 2 Charges by Charge Type for ND Energy Adjustment Rider marked as Attachment A (2 pages).
- 3) Monthly MISO Day 2 Charges for ND Energy Adjustment Rider marked as Attachment B.
- 4) Monthly MISO Day 2 Charges for ND Non-Energy Adjustment Rider marked as Attachment C.
- 5) Detail of MISO Day 2 Charges by Charge Group for Current Month marked as Attachment D (2 pages).
- 6) Otter Tail Power Company's Plant Conditions for June and July 2010 marked as Attachment E.

Sincerely,



Jill R. Bjorgum
Regulatory Transactions Specialist
Regulatory Services

Enclosures

cc: NDPSC – electronic copy

NORTH DAKOTA
 OTTER TAIL POWER COMPANY
 ENERGY ADJUSTMENT RIDER
 FOR BILLING TO BE EFFECTIVE SEPTEMBER 1, 2010

CYCLE '1'
 RATE LEVEL 50

	(A) 2010 April	(B) 2010 May	(C) 2010 June	(D) 2010 July	(E) Total This Period	
ENERGY COSTS & CREDITS						
Line						
1	Purchased Power	\$2,637,522	\$1,570,285	\$1,236,225	\$116,450	\$5,560,482
2	Steam Plant Generation	\$5,539,943	\$4,803,549	\$5,658,033	\$6,598,428	\$22,599,953
3	Other Plant Generation	\$153,124	\$138,782	\$198,875	\$444,464	\$935,245
4	Hydro Plant Generation	\$0	\$0	\$0	\$0	\$0
5	Less: Intersystem Sales	(\$1,818,132)	(\$693,637)	(\$762,546)	(\$282,357)	(\$3,556,671)
6	Schedule 16 & 17 Deferred Amortization	\$87,003	\$87,003	\$87,003	\$87,003	\$348,010
7	Net Retail MISO Day 2	\$1,126,495	\$908,517	\$1,499,969	\$1,042,160	\$4,577,141
8	NET ENERGY COSTS	\$7,725,955	\$6,814,499	\$7,917,559	\$8,006,147	\$30,464,160
		2010 June	2010 July	2010 August	2010 September	Total This Period
ASSET-BASED MARGINS						
9	Forecast of Margins - 85%	(\$90,640)	(\$1,029,598)	(\$965,361)	(\$159,703)	(\$2,245,302)
10	True-up of prior months margin forecast	(\$300,230)	(\$190,270)	(\$357,870)	\$307,242	(\$541,128)
11	Total Margin Credit	(\$390,870)	(\$1,219,868)	(\$1,323,231)	\$147,539	(\$2,786,430)
12	Prior (over) under recovery (line 26)					<u>(\$1,066,923)</u>
13	Adjusted Net Energy Costs (line 8 + line 11 + line 12)					<u>\$26,610,807</u>
		2010 April	2010 May	2010 June	2010 July	Total This Period
ENERGY -- KWH						
14	Retail Sales - kWhs	359,446,201	300,660,012	306,098,622	320,505,252	1,286,710,087
15	Delivered Cost per kWh					\$0.020681
16	Base Cost per kWh					\$0.028030
17	Energy Cost Adjustment -- Per kWh					(\$0.0073)

TRUE UP FOR JULY

18	Retail Sales (kWhs) (line 14, col D)	320,505,252
19	Net Energy Costs for the System -- Most recent month	\$6,786,279
20	Base Cost Recovered	\$8,983,762
21	Net to be Recovered from COE (line 19 - line 20)	(\$2,197,483)
22	COE Recovery Rate Effective for July	(\$0.0090)
23	Amount Recovered by COE (line 22 x line 18)	(\$2,884,547)
24	Over / (Under) Recovery (line 21 - line 23)	(\$687,065)
25	Cumulative Over / (Under) Recovery (prior month cumulative over/(under))	\$1,066,923

Otter Tail Power Company Monthly Detail of MISO Day 2 Charges by Charge Type for ND Energy Adjustment Rider July 2010* includes any adjustments							
No.	Charge Type Description	(A) Acct	(C) Energy Adjustment Rider			(E)	(F)
			(B) Total	Retail	Other	Total	Non-Energy Adj. Rider
			[TRADE SECRET DATA BEGINS . .				[TRADE SECRET DATA BEGINS . .
1	DA Asset Energy Amt	555.02		\$ (14,477.05)	\$ -	\$ (14,477.05)	
2	DA Non-asset Energy Amt	555.09		\$ 212,647.15	\$ -	\$ 212,647.15	
3	DA Virtual Energy Amt	555.12		\$ -	\$ -	\$ -	
4	RT Asset Energy Amt	555.19		\$ 613,596.27	\$ -	\$ 613,596.27	
5	RT Non-Asset Energy Amt	555.26		\$ -	\$ -	\$ -	
6	RT Virtual Energy Amt	555.32		\$ -	\$ -	\$ -	
7	ENERGY CHARGES TOTAL		\$ (601,832.14)	\$ 811,766.37	\$ -	\$ 811,766.37	\$ (1,413,598.51)
8	DA Mkt Admin Amt	555.01		\$ 56,513.34	\$ -	\$ 56,513.34	
9	DA FBT Congestion Amt	555.03		\$ 68,592.79	\$ -	\$ 68,592.79	
10	DA FBT Loss Amt	555.04		\$ 562,529.67	\$ -	\$ 562,529.67	
11	DA Congestion Rebate on COGA	555.05		\$ -	\$ -	\$ -	
12	DA Losses Rebate on COGA	555.06		\$ -	\$ -	\$ -	
13	DA Congestion Rebate on Option B GFA	555.07		\$ (68,592.79)	\$ -	\$ (68,592.79)	
14	DA Losses Rebate on Option B GFA	555.08		\$ (281,264.88)	\$ -	\$ (281,264.88)	
15	DA Revenue Sufficiency Guarantee Distribution Amt	555.10		\$ 17,141.07	\$ -	\$ 17,141.07	
16	DA Revenue Sufficiency Guarantee Make Whole Pymt .	555.11		\$ (446.79)	\$ -	\$ (446.79)	
17	FTR Mkt Admin Amt	555.13		\$ 5,187.96	\$ -	\$ 5,187.96	
18	FTR Hourly Allocation Amt	555.14		\$ (109.87)	\$ -	\$ (109.87)	
19	FTR Monthly Allocation Amt	555.15		\$ (1,705.12)	\$ -	\$ (1,705.12)	
20	FTR Monthly Transaction Amt	555.16		\$ (121.67)	\$ -	\$ (121.67)	
21	FTR Yearly Allocation Amt	555.17		\$ -	\$ -	\$ -	
22	RT Mkt Admin Amt	555.18		\$ 3,725.82	\$ -	\$ 3,725.82	
23	RT FBT Congestion Amt	555.20		\$ -	\$ -	\$ -	
24	RT FBT Loss Amt	555.21		\$ -	\$ -	\$ -	
25	RT Congestion Rebate on COGA	555.22		\$ -	\$ -	\$ -	
26	RT Loss Rebate on COGA	555.23		\$ -	\$ -	\$ -	
27	RT Distribution of Losses Amt	555.24		\$ (39,577.51)	\$ -	\$ (39,577.51)	
28	RT Misc Amt	555.25		\$ (6.78)	\$ -	\$ (6.78)	
29	RT Net Inadvertent Amt	555.27		\$ 3,630.82	\$ -	\$ 3,630.82	
30	RT Revenue Neutrality Uplift Amt	555.28		\$ 34,704.52	\$ -	\$ 34,704.52	
31	RT Revenue Sufficiency Guarantee First Pass Distributi	555.29		\$ 33,727.42	\$ -	\$ 33,727.42	
32	RT Revenue Sufficiency Guarantee Make Whole Pymt .	555.30		\$ (54,094.61)	\$ -	\$ (54,094.61)	
33	RT Uninstructed Deviation Amt	555.31		\$ -	\$ -	\$ -	
34	FTR_ARR_FTR_TXN	555.38		\$ 5,096.51	\$ -	\$ 5,096.51	
35	FTR_ARR_ARR_TXN	555.39		\$ (5,102.35)	\$ -	\$ (5,102.35)	
36	FTR_ARR_INF_UPL	555.40		\$ 1,492.94	\$ -	\$ 1,492.94	
37	FTR_ARR_STG2_DIST	555.41		\$ (30,760.76)	\$ -	\$ (30,760.76)	
38	DA_ASM_REG	555.43		\$ (17,236.25)	\$ -	\$ (17,236.25)	
39	DA_ASM_SPIN	555.44		\$ (42,571.26)	\$ -	\$ (42,571.26)	
40	DA_ASM_SUPP	555.45		\$ (14,694.16)	\$ -	\$ (14,694.16)	
41	RT_ASM_REG	555.46		\$ (17,365.42)	\$ -	\$ (17,365.42)	
42	RT_ASM_SPIN	555.47		\$ (23,715.35)	\$ -	\$ (23,715.35)	
43	RT_ASM_SUPP	555.48		\$ (11,577.22)	\$ -	\$ (11,577.22)	
44	RT_ASM_NRGA	555.49		\$ 3,275.67	\$ -	\$ 3,275.67	
45	RT_ASM_EXE_DFE_DEP	555.50		\$ 651.36	\$ -	\$ 651.36	
46	RT_ASM_CRDFC	555.51		\$ 646.97	\$ -	\$ 646.97	

Otter Tail Power Company								
Monthly Detail of MISO Day 2 Charges by Charge Type for ND Energy Adjustment Rider								
July 2010* includes any adjustments								
No.	Charge Type Description	(A)	(B)	(C)		(D)	(E)	(F)
		Acct	Total	Retail	Other	Total	Non-Energy Adj. Rider	
47	RT_ASM_REG_DIST	555.52		\$ 25,576.25	\$ -	\$ 25,576.25		
48	RT_ASM_SPIN_DIST	555.53		\$ 15,727.16	\$ -	\$ 15,727.16		
49	RT_ASM_SUPP_DIST	555.54		\$ 5,823.04	\$ -	\$ 5,823.04		
50	RT_MISC	555.25		\$ (631.67)	\$ -	\$ (631.67)		
51	RT_ASM_NXE	555.55		\$ (3,920.42)	\$ -	\$ (3,920.42)		
52	RT_ASM_EXE	555.56		\$ (155.27)	\$ -	\$ (155.27)		
			...TRADE SECRET DATA ENDS]				...TRADE SECRET DATA ENDS]	
53	ENERGY CHARGES TOTAL		\$ (217,447.39)	\$ 230,393.16	\$ -	\$ 230,393.16	\$ (447,840.55)	
54	TOTAL MISO DAY 2 CHARGES		\$ (819,279.53)	\$ 1,042,159.53	\$ -	\$ 1,042,159.53	\$ (1,861,439.06)	
55	MISO RSG Bad Debt		\$ -	\$ -		\$ -	\$ -	
56	TOTAL FOR ND COST OF ENERGY ADJUSTMENT		\$ (819,279.53)	\$ 1,042,159.53		\$ 1,042,159.53	\$ (1,861,439.06)	

Otter Tail Power Company Detail of MISO Day 2 Charges by Charge Group for Current Month - ND July 2010* includes any adjustments									
		(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)**
Charge Type Description		Acct	Retail Debits	Retail Credits	Retail Adjustments	Net Retail	Net Intersystem	Total	Charge types with MWH for Retail
No.	Day Ahead & Real Time Asset & Non Asset Energy & Lo:								TRADE SECRET DATA BEGINS . . .
1	DA Asset Energy Amt	555.02	\$ 9,030,826.51	\$ (9,045,303.56)	\$ -	\$ (14,477.05)			315,224 (312,364)
2	DA FBT Loss Amt	555.04	\$ 562,529.67	\$ -	\$ -	\$ 562,529.67			- -
3	DA Non-asset Energy Amt	555.09	\$ 333,643.57	\$ (120,996.42)	\$ -	\$ 212,647.15			11,246 (3,981)
4	RT Asset Energy Amt	555.19	\$ 165,102.52	\$ (126,787.37)	\$ 575,281.12	\$ 613,596.27			6,306 (4,492)
5	RT Distribution of Losses Amt	555.24	\$ -	\$ (32,966.28)	\$ (6,611.23)	\$ (39,577.51)			- -
6	RT FBT Loss Amt	555.21	\$ -	\$ -	\$ -	\$ -			- -
7	RT Non-Asset Energy Amt	555.26	\$ -	\$ -	\$ -	\$ -			- -
8	TOTAL		\$ 10,092,102.27	\$ (9,326,053.63)	\$ 568,669.89	\$ 1,334,718.53	\$ -	\$ -	332,777 (320,837)
Virtual Energy									
9	DA Virtual Energy Amt	555.12	\$ -	\$ -	\$ -	\$ -			- -
10	RT Virtual Energy Amt	555.32	\$ -	\$ -	\$ -	\$ -			- -
11	TOTAL		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	- -
Schedules 16 & 17									
12	DA Mkt Admin Amt	555.01	\$ 56,513.34	\$ -	\$ -	\$ 56,513.34			- -
13	RT Mkt Admin Amt	555.18	\$ 3,491.84	\$ -	\$ 233.98	\$ 3,725.82			- -
14	FTR_Mkt Admin Amt	555.13	\$ 5,187.96	\$ -	\$ -	\$ 5,187.96			- -
15	TOTAL		\$ 65,193.14	\$ -	\$ 233.98	\$ 65,427.12	\$ -	\$ -	- -
Congest & FTRs									
16	DA FBT Congestion Amt	555.03	\$ 114,842.34	\$ (46,249.55)	\$ -	\$ 68,592.79			- -
17	RT FBT Congestion Amt	555.20	\$ -	\$ -	\$ -	\$ -			- -
18	FTR Hourly Allocation Amt	555.14	\$ 31,187.32	\$ (31,206.05)	\$ (91.14)	\$ (109.87)			- -
19	FTR Monthly Allocation Amt	555.15	\$ -	\$ (1,662.22)	\$ (42.90)	\$ (1,705.12)			- -
20	FTR Yearly Allocation Amt	555.17	\$ -	\$ -	\$ -	\$ -			- -
21	FTR Monthly Transaction Amt	555.16	\$ 3,897.86	\$ (4,003.49)	\$ (16.04)	\$ (121.67)			- -
22	FTR_ARR_FTR_TXN	555.38	\$ 6,741.10	\$ (1,644.59)	\$ -	\$ 5,096.51			- -
23	FTR_ARR_ARR_TXN	555.39	\$ 1,636.63	\$ (6,738.98)	\$ -	\$ (5,102.35)			- -
24	FTR_ARR_INF_UPL	555.40	\$ 1,492.94	\$ -	\$ -	\$ 1,492.94			- -
25	FTR_ARR_STG2_DIST	555.41	\$ -	\$ (30,743.48)	\$ (17.28)	\$ (30,760.76)			- -
26	TOTAL		\$ 159,798.19	\$ (122,248.36)	\$ (167.36)	\$ 37,382.47	\$ -	\$ -	- -
RSG & Make Whole Payments									
27	DA Revenue Sufficiency Guarantee Distribution Amt	555.10	\$ 17,140.22	\$ -	\$ 0.85	\$ 17,141.07			- -
28	DA Revenue Sufficiency Guarantee Make Whole Pymt	555.11	\$ -	\$ (446.79)	\$ -	\$ (446.79)			- -
29	RT Revenue Sufficiency Guarantee First Pass Distribu	555.29	\$ 38,145.63	\$ -	\$ (4,418.21)	\$ 33,727.42			- -
30	RT Revenue Sufficiency Guarantee Make Whole Pymt	555.30	\$ -	\$ (53,415.54)	\$ (679.07)	\$ (54,094.61)			- -
31	TOTAL		\$ 55,285.85	\$ (53,862.33)	\$ (5,096.43)	\$ (3,672.91)	\$ -	\$ -	- -
Revenue Neutrality Uplift									
32	RT Revenue Neutrality Uplift Amt	555.28	\$ 32,203.79	\$ (2,575.03)	\$ 5,075.76	\$ 34,704.52			- -
33	TOTAL		\$ 32,203.79	\$ (2,575.03)	\$ 5,075.76	\$ 34,704.52	\$ -	\$ -	- -
Other Charges									
34	RT Misc Amt	555.25	\$ -	\$ -	\$ (6.78)	\$ (6.78)			- -
35	RT Net Inadvertent Amt	555.27	\$ 5,138.23	\$ (1,192.74)	\$ (314.67)	\$ 3,630.82			- -
36	RT Uninstructed Deviation Amt	555.31	\$ -	\$ -	\$ -	\$ -			- -
37	TOTAL		\$ 5,138.23	\$ (1,192.74)	\$ (321.45)	\$ 3,624.04	\$ -	\$ -	- -
ASM Charges									
38	DA_ASM_REG	555.43	\$ -	\$ (17,236.25)	\$ -	\$ (17,236.25)			- (916)
39	DA_ASM_SPIN	555.44	\$ -	\$ (42,571.26)	\$ -	\$ (42,571.26)			- (10,140)
40	DA_ASM_SUPP	555.45	\$ -	\$ (14,694.16)	\$ -	\$ (14,694.16)			- (5,849)
41	RT_ASM_REG	555.46	\$ 3,463.33	\$ (20,828.75)	\$ -	\$ (17,365.42)			337 (665)
42	RT_ASM_SPIN	555.47	\$ 2,317.94	\$ (26,033.29)	\$ -	\$ (23,715.35)			1,333 (243)
43	RT_ASM_SUPP	555.48	\$ 216.39	\$ (11,793.61)	\$ -	\$ (11,577.22)			748 (604)
44	RT_ASM_NRGA	555.49	\$ 3,387.15	\$ (111.48)	\$ -	\$ 3,275.67			- -
45	RT_ASM_EXE_DFE_DEP	555.50	\$ 651.34	\$ -	\$ 0.02	\$ 651.36			- -
46	RT_ASM_CRDFC	555.51	\$ 646.97	\$ -	\$ -	\$ 646.97			- -
47	RT_ASM_REG_DIST	555.52	\$ 23,852.64	\$ -	\$ 1,723.61	\$ 25,576.25			- -
48	RT_ASM_SPIN_DIST	555.53	\$ 14,486.16	\$ -	\$ 1,241.00	\$ 15,727.16			- -
49	RT_ASM_SUPP_DIST	555.54	\$ 5,070.88	\$ (83.72)	\$ 835.88	\$ 5,823.04			- -
50	RT_MISC	555.25	\$ -	\$ -	\$ (631.67)	\$ (631.67)			- -
51	RT_ASM_NXE	555.55	\$ 303,206.07	\$ (307,126.49)	\$ -	\$ (3,920.42)			11,373 (11,826)
52	RT_ASM_EXE	555.56	\$ 0.01	\$ (155.28)	\$ -	\$ (155.27)			- (9)
53	TOTAL		\$ 357,298.88	\$ (440,634.29)	\$ 3,168.84	\$ (80,166.57)	\$ -	\$ -	13,791 (30,251)

Otter Tail Power Company Detail of MISO Day 2 Charges by Charge Group for Current Month - ND July 2010* includes any adjustments									
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)**	
Charge Type Description	Acct	Retail Debits	Retail Credits	Retail Adjustments	Net Retail	Net Intersystem	Total	Charge types with MWH for Retail	
Grandfathered Charge Types									
54	DA Congestion Rebate on COGA	555.05	\$ -	\$ -	\$ -	\$ -			
55	DA Losses Rebate on COGA	555.06	\$ -	\$ -	\$ -	\$ -			
56	DA Congestion Rebate on Option B GFA	555.07	\$ 46,249.55	\$ (114,842.34)	\$ -	\$ (68,592.79)			
57	DA Losses Rebate on Option B GFA	555.08	\$ -	\$ (281,264.88)	\$ -	\$ (281,264.88)			
58	RT Congestion Rebate on COGA	555.22	\$ -	\$ -	\$ -	\$ -			
59	RT Loss Rebate on COGA	555.23	\$ -	\$ -	\$ -	\$ -			
60	TOTAL	\$ 46,249.55	\$ (396,107.22)	\$ -	\$ (349,857.67)	\$ -	\$ -		
...TRADE SECRET DATA ENDS]									
61	TOTAL MISO DAY 2 CHARGES	\$ 10,813,269.90	\$ (10,342,673.60)	\$ 571,563.23	\$ 1,042,159.53	\$ (1,861,439.06)	\$ (819,279.53)	346,568	(351,088)
62	MISO RSG Bad Debt								
63	TOTAL FOR ND COST OF ENERGY ADJUSTMENT	\$ 10,813,269.90	\$ (10,342,673.60)	\$ 571,563.23	\$ 1,042,159.53				
64	Net MISO Charges for Retail = (B) + (C) + (D)		\$ 1,042,159.53						
65	Net KWH for retail = ((G) + (H)) * 1,000		(4,520,025)						(4,520,025)
66	* covers time period of 06/23/10--07/22/10 ** increased for losses of 2								
		Net Retail	Net MISO KWH						
67	MISO Book Totals	\$ 470,596.30	(4,520,025)						
68	MISO RSG Bad Debt	\$ -							
69	July Adjustments	\$ 571,563.23	22,370,364						
70	Total MISO	\$ 1,042,159.53	17,850,339						

Otter Tail Power Company
Plant Conditions

Plant Conditions for July 2010

Big Stone:

The unit generated 306,295 net MWh for the month. Unit availability was 100% and equivalent availability was 99.6%. Fuel prices were 2.17 under budget.

Coyote:

The Unit generated 279,478 net MWh for the month. Availability for the month was 92.8% and equivalent availability was 92.0%. Fuel prices were 1.96% over budget.

Hoot Lake:

Unit 2 generated 28,002.9 net MWh for the month. Unit 2 had an availability of 91.7% and an equivalent availability of 87.5%. Fuel costs were about 2.69% under budget.

Unit 3 generated 42,438.2 net MWh for the month. Unit 3 had an availability of 97.2% and an equivalent availability of 97.2%. Fuel costs were about 3.19% under budget.

Plant Conditions for June 2010

Big Stone:

The unit generated 259,369 net MWh for the month. Unit availability was 92.6% and equivalent availability was 90.1%. Fuel prices were on budget.

Coyote:

The Unit generated 174,762 net MWh for the month. Availability for the month was 63.6% and equivalent availability was 61.2%. Fuel prices were 1.09% over budget.

Hoot Lake:

Unit 2 generated 29,903.3 net MWh for the month. Unit 2 had an availability of 100% and an equivalent availability of 100%. Fuel costs were about 3.56% under budget.

Unit 3 generated 32,789.0 net MWh for the month. Unit 3 had an availability of 83.7% and an equivalent availability of 83.6%. Fuel costs were about 4.40% under budget.