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AUG 19 2010

PUBLIC SERVICE COMMISSION



August 19, 2010

Mr. Darrell Nitschke
Director of Administration/Executive Secretary
North Dakota Public Service Commission
State Capitol
600 East Boulevard, Dept. 408
Bismarck, ND 58505-0408

**RE: Otter Tail Power Company Renewable Resource Cost Recovery Rider
Case No. PU-10-18**

Dear Mr. Nitschke:

Pursuant to the Order dated August 4, 2010, in the above-referenced matter, Otter Tail Power Company ("Otter Tail") is submitting the attached proposed customer notice and updated Renewable Resource Cost Recovery Rider rate schedule for North Dakota Public Service Commission ("Commission") approval. Since the proposed customer insert needs to be printed and ready for distribution by September 1, 2010. Otter Tail requests the Commission approve these items at its August 24, 2010 Commission Meeting.

If you have any questions, regarding this filing, please contact me at (218) 739-8395 or jfyhrie@otpc.com.

Sincerely,

A handwritten signature in blue ink that reads "Jessica J. Fyhrie".

Jessica J. Fyhrie
Tariff Specialist
Regulatory Services

wao
Enclosures
By electronic filing and overnight mail

53 PU-10-18 Filed: 8/19/2010 Pages: 4
Renewable Resource Cost Recovery Rider
Compliance Rate Schedule

Bill insert copy

Renewable Resource Adjustment changes

Since June 2008 our North Dakota customers' electric service statements have included a Renewable Resource Adjustment (RRA). This adjustment is reflected in the Energy and Renewable Adjustment line on the bill and allows our company to recover costs associated with renewable energy facilities that we own. Those costs include operating and maintenance expenses, depreciation, income and property taxes, and return on invested capital.

Since December 2009 the rate has been 0.369 cents a kilowatt-hour (kwh), which recovers costs for our ownership share of the Langdon Wind Energy Center and Ashtabula Wind Energy Center. On August 4, 2010, the North Dakota Public Service Commission (PSC) approved an updated RRA that includes our costs for owning and operating the Langdon and Ashtabula Wind Energy Centers and our newest wind project, the Luverne Wind Farm, all of which are in North Dakota. For our large general service customers (rates 10.03 Large General Service, 10.05 Large General Service–Time of Day, 14.02 Real Time Pricing Rider, and 14.03 Large General Service Rider) the RRA changes from an energy charge of 0.369 cents a kwh to an energy charge of 0.473 cents a kwh and a demand charge of 0.212 cents a kw. For all other customers the RRA changes from 0.369 cents a kwh to 0.551 cents a kwh effective with September bills.

Owning renewable generating facilities decreases Otter Tail Power Company's need to purchase power on the open market. On average, that lowers the cost of energy, which also is part of the Energy and Renewable Adjustment on your bill.

We provide this information to give you a better picture of both costs and benefits when Otter Tail Power Company adds renewable sources of electricity.

For more information contact **Customer Service** at **800-257-4044** or place an inquiry from our web site at www.otpc.com

(9/10)



Fergus Falls, Minnesota

RENEWABLE RESOURCE COST RECOVERY RIDER

DESCRIPTION	RATE CODE
Large General Service	50-520
All Other Service	50-521

N
N
N
N

RULES AND REGULATIONS: Terms and conditions of this rider and the General Rules and Regulations govern use of this schedule.

N
N

APPLICATION OF RIDER: This rider is applicable to electric service under all of the Company's Retail Rate Schedules.

N
N

COST RECOVERY FACTOR: There shall be included on each North Dakota customer's monthly bill a Renewable Resource Cost Recovery charge ("Renewable Resource Cost"), which shall be calculated before any applicable municipal payment adjustments and sales taxes as provided in the General Rules and Regulations for the Company's electric service. The following charges are applicable in addition to all charges for service being taken under the Company's standard rate schedules and will be included in the Energy and Renewable Adjustment line item on the customer's bill.

C
C
C
C

RATE:

N

RENEWABLE RESOURCE COST RECOVERY		
Energy Charge per kWh:	kWh	kW
Large General Service (a)	0.473 ¢/kWh	\$0.212
All Other Service	0.551 ¢/kWh	N/A
(a) Rate schedules 10.03 Large General Service, 10.05 Large General Service – Time of Day, 14.02 Real Time Pricing Rider and 14.03 Large General Service Rider.		

N
N
N
N
N
N

DETERMINATION OF DEMAND CHARGE (LARGE GENERAL SERVICE CLASS ONLY): The demand charge shall be billed consistent with the billing demand as defined in the applicable rate schedule under which the Customer is taking service.

N
N
N

NORTH DAKOTA PUBLIC
 SERVICE COMMISSION
 Case No. PU-10-18
 Approved by order dated August 4, 2010

EFFECTIVE with bills rendered on
 and after September 1, 2010, in North Dakota

APPROVED: Tom Brause
 Vice President, Administration



Fergus Falls, Minnesota

MANDATORY AND VOLUNTARY RIDERS: The amount of a bill for service will be modified by any Mandatory Rate Riders that must apply or Voluntary Rate Riders selected by the Customer, unless otherwise noted in this rider. See sections 12.00, 13.00 and 14.00 of the North Dakota electric rates for the matrices of riders.

N
N
N
N

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