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SEP 09 2010

September 9, 2010

PUBLIC SERVICE COMMISSION



Darrell Nitschke
Executive Secretary/Director of Administration
North Dakota Public Service Commission
State Capitol - 600 East Boulevard
Bismarck, ND 58505-0480

**RE: Otter Tail Power Company's shared earnings credit
Case No. PU-10-146**

Dear Mr. Nitschke:

This Letter will confirm that Otter Tail Power Company ("Otter Tail") has completed the Shared Earnings Credit as described in Otter Tail's annual report filed on May 3, 2010. For your information, the following is a summary of the Shared Earnings Credit procedure:

The Shared Earnings Credit period covered April 1, 2009, through March 31, 2010, for active customers as of March 31, 2010.

The \$422,454 credit was based on \$112,958,326 of revenue billed to active customers.

The factor used to calculate the credit to each customer was .374 percent. Due to rounding during the credit calculation, this produced a total credit of \$422,465.93. The credits were reflected on each customer's bill as a bill credit during the month of August 2010.

Attachment 1 contains a summary report of the credits by revenue class. This report also shows the total customer credits, total amount of the credits, and the number and amount of unclaimed credits.

If you have any questions please give me a call at 218-739-8838.

Sincerely,

A handwritten signature in black ink that reads "Ron Spangler Jr." with a stylized flourish at the end.

Ron Spangler Jr.
Rate Case Manager,
Tariff Application and Compliance
rlspangler@otpco.com

wao

Enclosure

By electronic filing and mail

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PU-10-146 Filed: 9/9/2010
Shared earnings credit summary

Pages: 2

Otter Tail Power Company Shared Earnings Credit Summary

Customer Class	Number of Credits	Credit amount
Residential	44,197	\$152,294.76
Small Commercial	11,400	\$85,342.93
Large Commercial	872	\$176,473.84
Other Public Authority	579	\$3,300.82
Street Lighting	383	\$5,053.58
Total	57,431	\$422,465.93

Total Customer refunds	57,431
Unclaimed refunds*	(1,254)
Net customer refunds	<u>56,177</u>

Total amount of customer refunds	\$422,465.93
Amount of unclaimed refunds*	(1,004.78)
Net amount of customer refunds	<u>\$421,461.15</u>

*Accounts closed between March 31, 2010 and July 31, 2010 with a credit of \$2.00 or less.

September 9, 2010