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September 11, 2012

PUBLIC SERVICE COMMISSION

Mr. Darrell Nitschke
Director of Administration/Executive Secretary
North Dakota Public Service Commission
600 E Boulevard Ave, Dept. 408
Bismarck, ND 58505-0480

**RE: In the Matter of Otter Tail Power Company's Request for Approval to Revise Its Energy Adjustment Rider to Include Emission Costs
NDPSC Docket No. PU-12-99
Notice of Withdrawal**

Dear Mr. Nitschke:

Pursuant to North Dakota Administrative Rule § 69-02-02-07, this letter is Otter Tail Power Company's ("Otter Tail's") Notice of Withdrawal of its request in the above-referenced case to include in its Energy Adjustment Rider certain specified costs for purchase of emission allowances necessary to comply with the Cross-State Air Pollution Rule ("CSAPR") as promulgated by the Federal Environmental Protection Agency ("EPA").

On January 3, 2012, the U.S. Court of Appeals for the D.C. Circuit ("Court") stayed CSAPR while it considered challenges raised by a coalition of more than 40 power companies, states, and labor unions. Prior to the Court's stay of the rule, the CSAPR was due to go into effect January 1, 2012.

On March 1, 2012 Otter Tail filed its application in this matter, anticipating that, if upheld, CSAPR rule might go into effect by the middle of 2012. The litigation case was argued to the Court on April 13, 2012. On March 28, 2012, after discussions with North Dakota Public Service Commission Staff ("Commission Staff"), Otter Tail indicated in an email to Commission Staff there should be no action in this Commission case until the Court ruled on the legal challenges. At that time a ruling was expected by approximately April 23, 2012. Representatives of Otter Tail and Commission Staff had conversations subsequent to March 28, 2012 to update the status of the court's action.

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Notice of withdrawal of application - tariff schedule 13.01

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On August 21, the Court issued its ruling vacating CSAPR. It is not known whether the EPA will attempt to promulgate a new set of rules on the subjects addressed by CSAPR and, if so, when they might be effective and what they might require. For that reason Otter Tail withdraws its request in this Commission case.

Sincerely,

A handwritten signature in cursive script that reads "Pete Beithon, wao".

Pete Beithon
Manager, Regulatory Recovery

wao
By electronic filing and U.S. Mail