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Celebrating 125 Years

May 31, 2006

HAND DELIVER

Patricia Van Gerpen
Executive Director
Public Utilities Commission
500 East Capitol Avenue
Pierre, South Dakota 57501

RE: **IN THE MATTER OF THE COMPLAINT FILED BY GENE DRONG,
COLMAN, SOUTH DAKOTA, AGAINST OTTER TAIL POWER COMPANY
REGARDING THE PROVISION OF SERVICE TO A PROPOSED
DEVELOPMENT SOUTH OF EGAN**
Docket CE06-001
Our file: 0034

Dear Patty:

Enclosed are the original and ten copies of Otter Tail's Answer in this matter. Please file the enclosures.

With a copy of this letter, I am sending copies of the enclosure to the service list, this being intended as service by mailing.

Yours truly,

MAY, ADAM, GERDES & THOMPSON LLP

BY: 

DAG:mw

Enclosures

cc/enc: Kevin Kouba
Service List

RECEIVED
MAY 31 2006
SOUTH DAKOTA
UTILITIES COMMISSION

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

RECEIVED
MAY 31 2006
SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

IN THE MATTER OF THE COMPLAINT) DOCKET NO: CE06-001
FILED BY GENE DRONG, COLMAN,)
SOUTH DAKOTA, AGAINST OTTER)
TAIL POWER COMPANY REGARDING) OTTER TAIL'S ANSWER
THE PROVISION OF SERVICE TO)
A PROPOSED DEVELOPMENT)
SOUTH OF EGAN)

Answering the complaint herein, Otter Tail Power Company ("Otter Tail") states and alleges as follows:

FIRST DEFENSE

The complaint fails to state a claim upon which relief can be granted. Otter Tail is prohibited by law from giving unreasonable preferences to customers, and is bound by the rates and its tariffs.

SECOND DEFENSE

1. Otter Tail has attempted to reach a settlement agreement with Mr. Drong which he has refused to consider. Contrary to his assertion that Otter Tail has quoted a price of \$50,000, Otter Tail has offered to provide service for no more than \$39,000 based upon a revenue guarantee over a four-year period as stated in Kevin Kouba's letter of April 27, 2006, a copy of which is attached hereto as Exhibit A.

2. Mr. Drong's property is located within Otter Tail's service area and Otter Tail has an obligation to serve Mr. Drong's location as provided in SDCL Ch. 49-34A.

3. Otter Tail denies that it has been hostile and uncooperative in its communications with Mr. Drong. Otter Tail affirmatively alleges that Mr. Drong was advised that the Company gets few homes of the size and quality he plans and that Otter Tail is excited and anxious to serve the property.

4. Otter Tail is ready, willing and able to provide adequate, efficient and reasonable service as provided by law.

WHEREFORE Otter Tail prays that the complaint be dismissed and that Otter Tail be permitted to serve this customer located in its territory according to its published tariffs and charges.

Dated this 31st day of May, 2006.

MAY, ADAM, GERDES & THOMPSON LLP

BY: 
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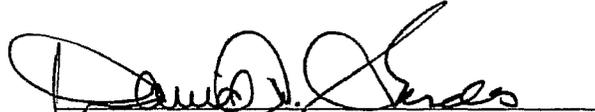
CERTIFICATE OF SERVICE

David A. Gerdes of May, Adam, Gerdes & Thompson LLP hereby certifies that on the 31st day of May, 2006, he mailed by United States mail, first class postage thereon prepaid, a true and correct copy of the foregoing in the above-captioned action to the following at their last known addresses, to-wit:

Gene Drong
23325 471st Avenue
Colman, South Dakota 57017

Dave Jacobson/Deb Gregg
Staff Analysts
Public Utilities Commission
500 East Capitol
Pierre, SD 57501

Karen Cremer
Staff Attorney
Public Utilities Commission
500 East Capitol
Pierre, SD 57501



David A. Gerdes

404 South Second Street
PO Box 392
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April 27, 2006



Mr. Gene Drong
23225 471st St
Colman, SD 57017

Electric service to new home

Mr. Drong,

During a recent telephone conversation in which yourself, Steve Wegman of the PUC, and I participated, Otter Tail Power Company offered the following option in order to provide electric service to your new home.

Otter Tail Power Company will charge \$12,870.00 (7,150 feet X \$1.80 per foot) as an aid to construction to provide electric service to your new home.

We will allow a four-year development period for the other lots that you own. Should other homes be built in the next four years, we will review the electric revenue from your home and any others that are built.

Should the electric revenue from your home and any others constructed in this area meet or exceed \$6532.50 per year for four years (\$544 per month), no further payment will be necessary.


Kevin Kouba

Area Manager

Jerry Hetlet, Chris Bartman, Steve Wegman

EXHIBIT A