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April 17, 2009

VIA E-FILING

Ms. Patricia Van Gerpen
Executive Director
South Dakota Public Utilities Commission
Capitol Building, 1st floor
500 East Capitol Avenue
Pierre, SD 57501

Re: Request for Authority to Use Current Rate Design when Implementing "Interim" Rate Increase Pursuant to SDCL Section 49-34A-17 on May 1, 2009, and Until Commission Makes Final Determination In the Matter of the Application of Otter Tail Corporation d/b/a Otter Tail Power Company for Authority to Increase Rates for Electric Utility Services in South Dakota - Supplemental filing

Docket No. EL08-030

Dear Ms. Van Gerpen:

Otter Tail Corporation d/b/a Otter Tail Power Company ("Otter Tail") submits this supplemental filing to its Request for Authority to Use Current Rate Design when implementing an "Interim" Rate Increase. Schedule 1 attached to this filing provides an example of how Otter Tail proposes to implement an Interim rate increase on a prorated bases and the transition to final rates.

Should you have any questions, please contact me at 218-739-8838 or rlspangler@otpco.com.

Respectfully submitted,

/s/ RON L. SPANGLER, JR
Ron L. Spangler, Jr.
Rate Case Manager, Regulatory Services

Enclosures

Otter Tail Power Company - Implementation of rates on an interim and final basis

Residential Service

Line No.

Current rates - implemented on an interim basis			
		May Bill	June Bill
1	Interim increase percentage	10.34%	10.34%
2	Effective date	5/1/2009	5/1/2009
3	Beginning read date	4/15/2009	5/15/2009
4	Ending read date	5/15/2009	6/14/2009
5	Days to which increase is applied	15	30
6	Percentage increase	5.17%	10.34%
7	Customer kWh use	1,200	1,200
8	Customer Charge	\$5.80	\$5.80
9	Energy Charge		
10	First 200	\$0.07579	\$15.16
11	Next 800	\$0.06453	\$51.62
12	Excess	\$0.05129	\$10.26
13	Total Energy	\$77.04	\$77.04
14	Interim charge ⁴	\$4.28	\$8.57
15	COE adjustment ⁵	\$15.58	\$15.58
16	Total bill before taxes	\$102.70	\$106.99

Final rates based on Staff's recommendation¹

Final rates - implemented with bills rendered			
			July Bill ²
1	Final rate increase percentage		10.34%
2	Effective date		7/1/2009
3	Beginning read date		6/14/2009
4	Ending read date		7/14/2009
5	Customer kWh use		1,200
6	Customer Charge		\$7.00
7	Energy Charge ³		
8	First 200	\$0.09343	\$18.69
9	Next 800	\$0.08780	\$70.24
10	Excess	\$0.08118	\$16.24
11	Total Energy		\$105.16
12	COE adjustment ⁶		\$0.00
13	Total bill before taxes		\$112.16

New base cost of energy	0.02844
Old base cost of energy	0.01546
Difference	0.01298

¹Final rates are based on the designs as recommended by staff and are for illustrative purposes, as Staff and Otter Tail are currently working on the final rate designs that will be included in the settlement stipulation.

²The July billing will be based entirely on the final rates as would be approved by the Commission.

³The energy charges for July are based on summer rates.

⁴The interim charge would apply to the Customer, Energy, Demand, Fixed and Monthly Minimum Charges.

⁵In this example, the COE adjustment rate is assumed to be 1.298 cents per kWh.

⁶It is assumed that the COE adjustment rate would be rolled into base rates and the cost of energy for the first month under final rates would be equal to the actual base cost of energy of 2.844 cents per kWh. Thus the adjustment rate would be zero. This assumption is for illustrative purposes only, as it is unlikely that the actual cost of energy would equal the actual base cost of energy.

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Otter Tail Power Company - Implementation of rates on an interim and final basis

Farm Service

Based single phase overhead service with 25 kVa of transformer capacity.

Line No.

Current rates - implemented on an interim basis			
	May Bill	June Bill	
Interim increase percentage	11.48%	11.48%	
Effective date	5/1/2009	5/1/2009	
Beginning read date	4/15/2009	5/15/2009	
Ending read date	5/15/2009	6/14/2009	
Days to which increase is applied	15	30	
Percentage increase	5.74%	11.48%	
Customer kWh use	2,100	2,100	
Customer Charge	\$7.70	\$7.70	\$7.70
Facilities Charge		\$0.00	\$0.00
Energy Charge			
First 1,600	\$0.06150	\$98.40	\$98.40
Excess	\$0.04995	\$24.98	\$24.98
Total Energy charge		\$123.38	\$123.38
Interim charge ⁴		\$7.52	\$15.05
Subtotal		\$138.60	\$146.13
COE adjustment ⁵		\$27.26	\$27.26
Total bill before taxes		\$165.85	\$173.38

Final rates based on Staff's recommendation¹

Final rates - implemented with bills rendered			
	July Bill ²		
Final rate increase percentage	11.48%		
Effective date	7/1/2009		
Beginning read date	6/14/2009		
Ending read date	7/14/2009		
Customer kWh use	2,100		
Customer Charge	\$7.70		
Facilities Charge	\$0.00		
Energy Charge ³			
First 1,600	\$0.08403	\$134.45	
Excess	\$0.07825	\$39.13	
Total Energy charge		\$173.58	
Subtotal		\$181.28	
COE adjustment ⁶		\$0.00	
Total bill before taxes		\$181.28	

New base cost of energy	0.02844
Old base cost of energy	0.01546
Difference	0.01298

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Otter Tail Power Company - Implementation of rates on an interim and final basis

General Service under 20 kW

Line No.

Current rates - implemented on an interim basis			
	May Bill		June Bill
3	Interim increase percentage	6.92%	6.92%
4	Effective date	5/1/2009	5/1/2009
5	Beginning read date	4/15/2009	5/15/2009
6	Ending read date	5/15/2009	6/14/2009
7	Days to which increase is applied	15	30
8	Percentage increase	3.46%	6.92%
10	Excess Demand Check	TRUE	TRUE
11	Excess Demand kWh's	466	466
13	kWh's	3,466	3,466
14	Customer Demand	15.0	15.0
15	Customer Charge	\$6.00	\$6.00
16	Energy Charge		
17	Next 1000	\$0.08275	\$82.75
18	Next 1000	\$0.07141	\$71.41
19	Excess	\$0.05237	\$52.37
20	Excess Demand	\$0.04268	\$19.89
21	Total Energy		\$226.42
22	Demand Charge	\$2.15	\$10.75
23	Interim charge ⁴	\$8.04	\$16.08
24	Subtotal	\$251.21	\$259.25
25	COE adjustment ⁵	\$44.99	\$44.99
26	Total bill before taxes	\$296.20	\$304.24

Final rates based on Staff's recommendation¹

Final rates - implemented with bills rendered			
	July Bill ²		
3	Final rate increase percentage	6.92%	
4	Effective date	5/1/2009	
5	Beginning read date	6/14/2009	
6	Ending read date	7/14/2009	
10	Excess Demand Check	TRUE	
11	Excess Demand kWh's	466	
13	kWh's	3,466	
14	Customer Demand	15.0	
15	Customer Charge	\$12.00	
16	Energy Charge ³		
17	Next 1000	\$0.09487	\$94.87
18	Next 1000	\$0.08880	\$88.80
19	Excess	\$0.07933	\$79.33
20	Excess Demand	\$0.06968	\$32.47
21	Total Energy		\$295.47
22	Demand Charge	\$0.00	\$0.00
24	Subtotal	\$307.47	
25	COE adjustment ⁶	\$0.00	
26	Total bill before taxes	\$307.47	

New base cost of energy	0.02844
Old base cost of energy	0.01546
Difference	0.01298

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