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October 17, 2005

Ms. Pamela Bonrud
Executive Director
Public Utilities Commission
State of South Dakota
Pierre, SD 57501

RECEIVED
OCT 21 2005
SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION



Dear Ms. Bonrud:

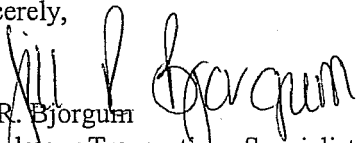
Enclosed is the detail of the determination of the fuel adjustment factor for the three months ending September 2005. The new adjustment factor is applicable on bills dated on and after November 1, 2005 (Billing Cycle 1). The adjustment reflects the Commission approved change from a mid-month application to a calendar month application in the Order (Docket No. EL05-016) dated May 26, 2005.

The calculation was made in compliance with the Fuel Adjustment Clause, Electric Rate Schedule - Rate Designation M-60S, as approved by the South Dakota Public Utilities Commission Order dated April 7, 2005 (Docket No. EL05-009). This calculation includes Item 6 of the tariff "Costs or revenues linked to the utility's load serving obligation, associated with participation in wholesale electric energy markets operated by Regional Transmission Organizations, Independent System Operators or similar entities that have received Federal Energy Regulatory Commission approval to operate the energy markets." A detail schedule of the items included in the calculation is attached to the enclosure. Otter Tail requests confidential treatment of columns (E) and (F) of the detail schedule pursuant to ARSD Part 20:10:01:41 due to the competitive nature of the data in those columns. Otter Tail is requesting confidential treatment for a period of at least 12 months and will request an extension in the future if necessary. Contact Pete Beithon, Manager of Regulatory Economics at: (218) 739-8607, 215 South Cascade Street, Fergus Falls, MN 56537 with any questions of concerns regarding the confidentiality request.

Revenue from Cost of Energy Adjustment for September 2005:

Total Sales in South Dakota	28,874,728 kWh
Sales Subject to Fuel Adjustment	27,268,584 kWh
Average Rate During Period	\$.00971
Revenue in Period	\$264,816.09
<i>November adjustment per kWh</i>	<i>\$0.00956</i>

Sincerely,


Jill R. Bjorgum
Regulatory Transactions Specialist
Regulatory Services

Enc.