

July 21, 2006

Kevin Kouba
Area Manager
Otter Tail Power Company
404 South Second Street
P.O. Box 392
Milbank, South Dakota 57252-0392

RE: Docket CE06-001 In The Matter Of The Complaint Filed By Gene Drong, Colman, South Dakota, Against Otter Tail Power Company Regarding The Provision Of Service A Proposed Development South Of Egan South Dakota.

Dear Mr. Kouba:

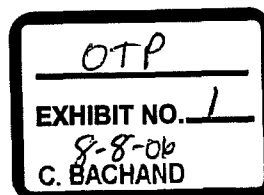
Following are questions by Commission Staff regarding the above mentioned matter.

1. Please provide a detailed description of Otter Tail's procedure and system used to determine the estimated costs of line extensions. Provide a detailed listing of the expenses included in your estimate of providing service to Mr. Drong and the corresponding dollar amounts.
2. Provide a detailed description of the four year provision included in Otter Tail's line extension proposal to Mr. Drong. Explain in detail and quantify the margins that this provision will provide for recovery of Mr. Drong's line extension costs.
3. Identify the section(s) from its South Dakota tariff that Otter Tail is following regarding the offer made to Mr. Drong concerning the proposed line extension.
4. Provide a map to scale (4" to the mile or similar) showing the location of the proposed line extension including its origination from existing Otter Tail facilities to the location Mr. Drong's new residence. Please show the location of potential additional customers as discussed in your correspondence with Mr. Drong.

If you have any question regarding the above, please contact me at the Commission.

Sincerely,

Dave Jacobson



Response to Information Request**Otter Tail Power Company**

Docket Number: CE06-001 Date of Request: July 18, 2006

Requested From: Kevin Kouba Response Due: August 2, 2006

Requesting Information: David Jacobson, SDPUC
Type of Inquiry: Customer Complaint/Revenue Guarantee**Response to Information Request No. 1 (via email)**

RE: Complaint Filed By Gene Drong

1. Please provide a detailed description of Otter Tail's procedure and system used to determine the estimated costs of line extensions. Provide a detailed listing of the expenses included in your estimate of providing service to Mr. Drong and the corresponding dollar amounts.

The attached document, Exhibit 1, is the actual work order estimate that was put together in order to determine the cost to serve the proposed Gene Drong residence.

When we receive requests such as this, our normal procedure is to travel to the proposed site and physically review the request. It is a very important step for us in order to accurately understand and project to estimated amount of work required as well as the cost. Once we have determined what it will take to do the job, a work order is created. Typically, an engineer or Operations Manager will handle putting the work order together, as they are usually the ones who have surveyed the job site. Our work order estimating, which we have used for many years and has served us quite well, allows us to provide a very accurate estimate as to the cost of the project. Some of the basic inputs into the development of an estimate would include number of man-hours required to complete the job, material needed based on our construction standards, other costs such as meals and lodging, etc. The face sheet of the work order estimate summarizes the costs and the subsequent pages provide more detail.

Response by: Kevin Kouba

List Sources of information:

Title: Area ManagerIf any, listed in footnotesDepartment: MilbankTelephone: 605-432-4579

Response to Information Request**Otter Tail Power Company**

Docket Number: CE06-001 Date of Request: July 18, 2006

Requested From: David G. Prazak Response Due: August 2, 2006
and Kevin Kouba

Requesting Information: David Jacobson, SDPUC

Type of Inquiry: Customer Complaint/Revenue Guarantee

Response to Information Request No. 2 (via email)

RE: Complaint Filed By Gene Drong

2. Provide a detailed description of the four-year provision included in Otter Tail's line extension proposal to Mr. Drong. Explain in detail and quantify the margins that this provision will provide for recovery of Mr. Drong's line extension costs.

Otter Tail will respond to this request in 6 parts. Below is a summary of our response. We believe it is best to start with an explanation of Otter Tail's Extension Policy, discuss the initial and revise proposals provided to Mr. Drong, and finally provide support for the proposal.

- a) Otter Tail's Extension Policy
- b) Context of the proposed Extension versus average customers
- c) Explanation of initial rough extension estimate to Mr. Drong
- d) Estimate of electric revenue for the proposed residence
- e) Explanation of revised extension estimate to Mr. Drong
- f) Details of the proposed extension and potential margins

Response by: Kevin Kouba, Area Manager (parts c, d and e)

David Prazak, Supervisor, Pricing (parts a, b and f)

List Sources of information:

Title: (see above)

Department: Milbank / Regulatory Services

Telephone: 605-432-4579 – 218-739-8595

Response to Information Request**Otter Tail Power Company**

Docket Number: CE06-001 Date of Request: July 18, 2006

Requested From: David G. Prazak Response Due: August 2, 2006
and Kevin Kouba

Requesting Information: David Jacobson, SDPUC

Type of Inquiry: Customer Complaint/Revenue Guarantee

a) Otter Tail's Extension Policy

In summary, Otter Tail has offered Mr. Drong an extension proposal consistent with its General Rules and Regulations, Section No. 5, Volume I, 4th Revised Sheet No. 99.9. A copy of the Extension of Service, item 6, is shown below.

EXTENSION OF SERVICE: *The Company will, at its own expense, extend its facilities for supplying electric service when the anticipated revenue from the sale of additional service justifies the expenditure. If it appears to the Company that the expenditure may not be justified, the Company may require the customer to sign a contract guaranteeing a certain minimum amount of revenue over the first three years use of electric service, or such other initial period of service as may be determined by the Company, and to make an advance payment, as determined by the Company, to guarantee payment of this minimum amount of revenue.*

If the customer uses the specified minimum of electric service by the end of the said initial period of service, the advance will be refunded to him. However, if the customer uses less than the minimum, the amount of the deficiency will be billed to the customer, or will be deducted from the deposit, and the balance of the deposit, if any, will be refunded to the customer.

Otter Tail further describes its Extension of Service in its Facilities Extension Policy, contained in the Company's General Office Policy Manual. Below is an excerpt from the policy;

The goal of the policy is to guarantee the Company a minimum amount of revenue over the first three years of use of electric service. The revenue is guaranteed by establishing a Facility Extension Charge (FEC) to be set up. Not all facility extensions require a FEC. In order to determine whether or not an

Response by: Kevin Kouba, Area Manager (parts c, d and e)

David Prazak, Supervisor, Pricing (parts a, b and f)

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Response to Information Request**Otter Tail Power Company**

Docket Number: CE06-001

Date of Request: July 18, 2006

Requested From: David G. Prazak
and Kevin Kouba

Response Due: August 2, 2006

Requesting Information:

David Jacobson, SDPUC

Type of Inquiry:

Customer Complaint/Revenue Guarantee

a) Otter Tail's Extension Policy - continued

extension requires a FEC, use the following criteria: If the expected revenue over the first three years of the facility will not equal or exceed the amount of the investment, a FEC shall be used.

The following formula is the basis for determining the Facility Extension Charge (FEC):

Standard Account

FEC = \$(A - B) / 36 months plus an optional development period of 0-12 mo.

A = Work order estimate or estimated investment

B = Deposit

b) Context of the proposed Extension versus average customers:

The proposed extension for Mr. Drong is unique – both in extension costs and the potential revenue from the proposed residence(s) (discussed further in item d, below). Because of the uniqueness of this situation, Otter Tail would like to provide context regarding this extension to the South Dakota PUC and Staff. Below, we provide information on how this proposed extension compares to average customers.

Based on average usage and revenue for our South Dakota residential customers, extensions that would not require a Facility Extension Charge or FEC (described above) would not exceed about \$2700, providing annual revenue of about \$900. This is based on a justified extension of 3 times the annual revenue.

As further described in item e below, the proposed extension costs are \$39,000, with a range of estimated annual revenues, made by Otter Tail, of \$1,500 –

Response by: Kevin Kouba, Area Manager (parts c, d and e)

David Prazak, Supervisor, Pricing (parts a, b and f)

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Response to Information Request**Otter Tail Power Company**

Docket Number: CE06-001

Date of Request: July 18, 2006

Requested From: David G. Prazak
and Kevin Kouba

Response Due: August 2, 2006

Requesting Information:

David Jacobson, SDPUC

Type of Inquiry:

Customer Complaint/Revenue Guarantee

b) Context of the proposed Extension versus average customers: continued

\$7600 per year. The range of revenue estimates is uncertain. This unique extension is over 14 times greater than the average residential customer. Even though this extension is unique - Otter Tail is willing to work with customers in these unique situations, as we believe we have done – and further discussed below.

c) Explanation of initial rough extension estimate to Mr. Drong:

Initially, and based on an extremely rough estimate and before a site visit was done, we had proposed to Mr. Drong an estimate of \$36,000 with a deposit of \$18,000 and a minimum monthly billing of \$500 per month for three years

d) Estimate of electric revenue for the proposed residence:

At the time we did this rough estimate, we contacted our Marketing Department to put together an estimate of projected usage numbers. Mr. Drong told us that the house would be approximately 12,000 square feet. We then estimated that the home would use 120,000 kWh for heat per year.

Based on the annual heating kWh estimate, utilizing the Residential Service tariff and using an electric furnace, this would equate to \$6,144 per year. With ground source heat pump technology, the cost would be \$2,048 per year. With air source system, the cost would be \$4,096 per year. General electric usage (lights, etc.) would be an additional \$1,500.00 per year on the above estimates.

Response by: Kevin Kouba, Area Manager (parts c, d and e)

David Prazak, Supervisor, Pricing (parts a, b and f)

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Type of Inquiry:

Customer Complaint/Revenue Guarantee

d) Estimate of electric revenue for the proposed residence – continued

We had very little information regarding expected load from the home. At one point, Mr. Drong indicated that he would be heating with propane. Based on this, his usage would be significantly less than required to recover the cost of the extension (i.e., see the reference to \$1500 for non-heating use above). We later learned, from other sources, that he would not be heating with propane but rather with some form of heat pump system. Steve Wegman referred me to Chris Bartmann of Beck and Hofer. Mr. Bartmann indicated that the home heating fuel source would not be with propane but rather with geo-thermal or air-source heat pumps. Assuming the customer installs air-source heat pumps, his total yearly energy cost would be somewhere in the neighborhood of \$5,600 per year, or an average monthly billing of \$467. With Ground-source heat pumps, his average billing would be roughly \$300.

e) Explanation of revised extension estimate to Mr. Drong:

In subsequent conversations with Mr. Drong, he indicated that he was not willing to pay any more than what the rural electric company would charge, which was quoted at \$1.80 per foot plus a \$500 transformer charge. We also learned of his intention to sell other lots in close proximity to where he was proposing to build. At this point, we chose to offer another option to Mr. Drong.

On or about April 27, 2006, I drafted a letter to Mr. Drong in which we proposed an upfront charge of \$12,870.00 (7150 feet X \$1.80 per foot), similar to that which was quoted by the rural electric company. Based on the possibility that other homes may be built on his property, I proposed to allow a four-year

Response by: Kevin Kouba, Area Manager (parts c, d and e)David Prazak, Supervisor, Pricing (parts a, b and f)

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Response to Information Request**Otter Tail Power Company**

Docket Number: CE06-001

Date of Request: July 18, 2006

Requested From: David G. Prazak
and Kevin Kouba

Response Due: August 2, 2006

Requesting Information:

David Jacobson, SDPUC

Type of Inquiry:

Customer Complaint/Revenue Guarantee

e) Explanation of revised extension estimate to Mr. Drong – continued

developmental period, one more year than normal, to recover the extension cost based on the revenue from his home and that of others that would possibly be built. I stated in the letter that "Should the electric revenue from your home and any others constructed in this area meet or exceed \$6,532.50 per year for four years (\$544 per month), no further payment will be necessary." The calculation used to come up with the \$6,532.50 was as follows: Cost of the extension (\$39,000.00) less upfront charge (\$12,870.00) = \$26,130.00 divided by number of years (4) = \$6,532.50.

Our intention would be to monitor the usage of Mr. Drong's home and that of any other home built on a yearly basis. No monthly minimum would be charged to Mr. Drong or any other party building on his property. After four years, should the revenue received in addition to the upfront charge (\$12,870.00) be less than \$39,000, the difference would be assessed to Mr. Drong. If, at the end of the four-year developmental period, the electric revenue plus the upfront charge exceeded the extension estimate of \$39,000, Mr. Drong would receive a refund in the amount of the excess.

f) Details of the proposed extension and potential margins:

Otter Tail is supplying two Exhibits (2a and 2b).

Exhibit 2a shows the extension costs and potential revenues as described in item d. This exhibit shows 2 scenarios of less-than expected revenues and 1 scenario of expected revenues for the given extension costs.

Response by: Kevin Kouba, Area Manager (parts c, d and e)

David Prazak, Supervisor, Pricing (parts a, b and f)

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Customer Complaint/Revenue Guarantee

f) Details of the proposed extension and potential margins - continued

Exhibit 2b shows the extensions costs and potential revenues for the expected revenues and scenarios if other homes were added to this extension. If one or more additional homes are added to this extension, it will reduce the cost to Mr. Drong and improve margins to Otter Tail's other ratepayers.

Response by: Kevin Kouba, Area Manager (parts c, d and e)David Prazak, Supervisor, Pricing (parts a, b and f)

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WOE745 WORK ORDER APPLICATION CR# 43625

DATE PREPARED 07/27/06

STATUS	E	CLASS	D
DIVISION	MILBANK	WORK TO BEGIN	01/02/06
LOCATION	- EGANS D	EST. COMPL.	12/31/06
WILL ZONING PERMIT THIS CONSTRUCTION?	Y / N	DESIGNER	J. HETLET
RIGHT OF WAY NEEDED?	Y	SPONSOR	O M MILBANK
	R/W BY	PRIMARY CREW	93 22.00
		OTHER CREW	92
		RESP NUMBER	14

DESC EGAN LINE EXTENSION FOR GENE DRONG SOUTH OF EGAN
COMMENT J.HETLET 02/17/ 95315 TX0
J.HETLET 02/17/ 95315 TX0
SINGLE PHASE LINE EXTENSION FOR NEW HOME BEING BUILT OUT
IN THE MIDDLE OF A FIELD FOR GENE DRONG.
J.HETLET 02/17/ 80153 TX0

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COMPLETION REPORT: DATE STARTED _____ DATE COMPLETED _____
**** SR/LL LCSR OM SAE SPC ENG FXD ASSET
**
DATE _____

	ESTIMATE	BUDGET
1 MATERIAL	13,309.09	13,309.09
2 LABOR (LOADED) (334.47) HR	16,202.53	16,202.53
3 VEHICLE	3,679.06	3,679.06
4 MEALS, LODGING, OTHER COSTS	3,000.00	3,000.00
5 SUBTOTAL (1+2+3+4)	36,190.68	36,190.68
6 EXEMPT MATERIAL		
7 SALVAGE		
8 WAREHOUSING COST (25.00%)	3,151.76	3,151.76
9 NET COST (5+6+7+8+9)	39,342.44	39,342.44
10 BUDGET ITEM NUMBER D02014.11\$ _____		

APPROVED (INITIAL AND DATE) DIV MGR _____ ENGINEER _____
DEPT HEAD _____ MGR, PROP. _____
VICE PRES. _____

COPIES _____ R. SCHEEL D. VANVOORHIS R. HANSEN

WO NUMBER _____

TOWN - EGAN
SPONSOR - OMMILBANK
DESCRIPTION - EGAN LINE EXTENSION FOR GENE DRONG SOUTH OF EGAN
START DATE - 010206
COMPLETION DATE - 000000
TOTAL HRS - 334.47
TOTAL EST AMT - 39,342.44

SHIPPING-SHIP TO ELKTON

J.HETLET 02/17/ 95315 TX0

R/W:NEEDED Y DIV BY 4/15/06 R/W BY

J.HETLET 02/17/ 95315 TX0

SINGLE PHASE LINE EXTENSION FOR NEW HOME BEING BUILT OUT
IN THE MIDDLE OF A FIELD FOR GENE DRONG.

J.HETLET 02/17/ 80153 TX0

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COMPLETION REPORT: DATE STARTED _____ DATE COMPLETED _____

**** SR/LL LCSR OM SAE SPC ENG FXD ASSET

**

DATE _____

WOE810

PRINT ERRORS FOR CR# 43625
NO ERRORS FOR THIS CR#

07/27/06

PAGE 1

ACCT TYPE	AMOUNT	DESCRIPTION
OTH	3,000.00	1200' TRENCH @ 2.50

WOE720 WORK ORDER COST SUMMARY FOR CR# 43625

EGAN EGAN LINE EXTENSION FOR GENE DRONG SOUTH OF EGAN

1	CONSTRUCTION LABOR (CAPITALIZED)	10992.07	226.95	HRS
2	OTHER LABOR (CAPITALIZED)	.00	.00	HRS
3	O AND M LABOR	.00	.00	HRS
4	OTHER O AND M LABOR	.00	.00	HRS
5	SALVAGE LABOR (CAPITALIZED)	.00	.00	HRS
6	DIRECT LABOR (1+2+3+4+5)	<u>10992.07</u>	<u>226.95</u>	HRS
7	CONSTRUCTION TRAVEL LABOR (CAPITALIZED)	5210.46	107.52	HRS
8	O AND M TRAVEL LABOR	.00	.00	HRS
9	SALVAGE TRAVEL LABOR (CAPITALIZED)	.00	.00	HRS
	TOTAL LABOR (6+7+8+9)	<u>16202.53</u>	<u>334.47</u>	HRS

MATERIAL	13309.09
VEHICLE	3679.06
MEALS, LODGING	.00
OTHER COSTS	3000.00
EXEMPT MATERIAL	.00
SALVAGE MATERIAL	.00
WAREHOUSING	3151.76
AFUDC	.00

NET JOB COSTS 39342.44

WOE725 PRINT ACCOUNTING SUMMARY FOR CR# 43625

ACCT	DIRECT LABOR	MATL	MATL DIRECT	OTHER COST	TOTAL
36400	10,430.45	6,569.02	.00	5,941.81	22,941.28
36700	1,642.73	2,201.20	.00	1,227.36	5,071.29
36800	401.21	1,405.56	.00	341.50	2,148.27

36500	3,728.14	3,133.31	.00	2,320.15	9,181.60
TOTAL	16,202.53	13,309.09	.00	9,830.82	39,342.44

ACCT	LABOR PCT OF TOT	MATL PCT OF TOT	OTHR PCT OF TOT	ACCT PCT OF TOT
36400	26.5120	16.6970	15.1028	58.3118
36700	4.1755	5.5950	3.1197	12.8902
36800	1.0198	3.5726	.8680	5.4604
36500	9.4761	7.9642	5.8973	23.3376
				100.0000

	INT LABOR PCT	INT MATL PCT	INT OTHR PCT
36400	64.3754	49.3573	60.4406
36700	10.1387	16.5391	12.4848
36800	2.4762	10.5608	3.4736
36500	23.0097	23.5428	23.6010

QTY	UM	STK NUM		UNIT COST	TOTAL COST
54	EA	1011305	BOLT GALV CARRIAGE BOLT GALV CARRIA	.44	23.76
8	EA	1012518	BOLT GALV DOUBLE ARM BOLT GALV DOUB	1.88	15.04
8	EA	1012520	BOLT GALV DOUBLE ARM BOLT GALV DOUB	2.00	16.00
12	EA	1016406	BOLT GALV MACHINE BOLT GALV MACHINE	.68	8.16
26	EA	1016410	BOLT GALV MACHINE BOLT GALV MACHINE	.88	22.88
5	EA	1016510	BOLT GALV MACHINE BOLT GALV MACHINE	.75	3.75
6	EA	1016512	BOLT GALV MACHINE BOLT GALV MACHINE	.85	5.10
25	EA	1016514	BOLT GALV MACHINE BOLT GALV MACHINE	1.00	25.00
4	EA	1016518	BOLT GALV MACHINE BOLT GALV MACHINE	1.41	5.64
4	EA	1016520	BOLT GALV MACHINE BOLT GALV MACHINE	2.22	8.88
3	EA	1034822	BOLT MISC ST STEEL BOLT SS 1/2 X 2	.83	2.49
54	EA	1054038	NUT LOCKNUT MF NUT LOCKNUT MF 3/8 M	.12	6.48
38	EA	1054048	NUT LOCKNUT MF NUT LOCKNUT MF 1/2 M	.18	6.84
53	EA	1054058	NUT LOCKNUT MF NUT LOCKNUT MF 5/8	.17	9.01
2	EA	1062633	WASHER CURVED WASHER CURVED SQUARE	.63	1.26
3	EA	1064048	WASHER LOCK WASHER LOCK STAINLESS -	.10	.30
37	EA	1068422	WASHER SQUARE WASHER SQUARE 2X2 9/1	.16	5.92
93	EA	1068522	WASHER SQUARE WASHER SQUARE 2 1/4X2	.20	18.60
6	PR	1100305	XARM HDWE BRACE XARM BRACE PAIR WOO	17.04	102.24
54	EA	1100528	XARM HDWE BRACE XARM BRACE FLAT STE	2.27	122.58
54	EA	1109080	XARM HDWE PIN XARM PIN STEEL DIST 1	2.93	158.22
1	EA	1131347	POLE HDWE BRACKET BRACKET CUTOUT &	7.54	7.54
5	EA	1150628	GUYING MAT ANCHOR GUY ANCHOR POWER	14.05	70.25
5	EA	1150670	GUYING MAT ANCHOR GUY ANCHOR ROD 3/	11.35	56.75
1	EA	1151133	GUYING MAT ATTACHMENT GUY ATTACH HO	5.02	5.02
9	EA	1154058	GUYING MAT EYE GUY EYE LET OVAL 5/8	2.17	19.53
20	EA	1156306	GUYING MAT GRIP GUY GRIP PERFORMED	2.01	40.20
5	EA	1157208	GUYING MAT GUARD GUY GUARD 8' METAL	17.48	87.40
2	EA	1161948	GROUND MAT CLAMP GROUND CLAMP FOR 1	.74	1.48
1	EA	1161997	GROUND MAT CLAMP PARALLEL GROOVE CL	1.38	1.38
1	EA	1166111	GROUND MAT LUG GROUND LUG TRANSFORM	1.52	1.52
2	EA	1168410	GROUND MAT ROD GROUND ROD SECTIONAL	8.79	17.58
100	EA	1169121	GROUND MAT STAPLE GROUND STAPLE 1 1	.08	8.00
27	EA	1171408	FRAME MAT CROSS ARM XARM WOOD 3 1/2	27.86	752.22
6	EA	1171410	FRAME MAT CROSS ARM XARM WOOD 3 1/2	33.04	198.24
26	EA	1172355	FRAME MAT POLE POLE WOOD 35' C5	181.84	4,727.84
5	EA	1204542	INSULATOR GUY STRAIN INSULATOR GUY	4.46	22.30
54	EA	1205212	INSULATOR PIN TYPE INSULATOR PIN TY	2.86	154.44
8	EA	1209065	INSULATOR SUSPENSION INSULATOR SUSP	10.18	81.44
1	EA	1221211	ARRESTER DISTR ARRESTER RISER POLE	33.08	33.08
1	EA	1232260	OPEN TYPE CUTOUT CUTOUT OPEN TYPE 1	45.62	45.62
1822	LB	1300110	COND OH ACSR COND OH ACSR 1/0 6/1 R	1.45	2,641.90
13	LB	1305176	COND OH COPPER COND OH COPPER #4 7	2.22	28.86
250	FT	1308060	COND OH STEEL COND OH STEEL 3/8 GUY	.25	62.50
1355	FT	1314113	CABLE UG 15 KV AL CABLE UG 15KV ALU	1.42	1,924.10
1	EA	1314114	CABLE UG 15 KV AL CABLE ACCESSORY,	7.66	7.66
6	EA	1412514	BOLTED CONNECTOR BOLTED CONNECTOR S	1.16	6.96
2	EA	1422052	COMPRESION TAP COMPRESSION TAP H NU	.25	.50
3	EA	1422054	COMPRESION TAP COMPRESSION TAP H NU	.43	1.29
2	EA	1422110	COMPRESION TAP COMPRESSION TAP 6 SO	.35	.70
2	EA	1426010	COMPRESION TERMINAL COMPRESSION TER	2.03	4.06
50	EA	1434010	PREFORMED TIE PREFORMED TIE SINGLE	2.22	111.00
2	EA	1434020	PREFORMED TIE PREFORMED TIE DOUBLE	7.31	14.62
8	EA	1442145	OH CON ACC DEAD END DEAD END FEED T	16.42	131.36
1	EA	1521620	UNDERGROUN BRACKET UG BRACKET TERMI	29.54	29.54
1	EA	1523010	UNDERGROUN ELBOW UG ELBOW 1/0-15KV	24.58	24.58
1	EA	1528111	UNDERGROUN TERMINATOR UG TERMINATOR	29.21	29.21
1	EA	1529100	UNDERGROUN MISC ACC UG CAP INSULATE	19.84	19.84
1	EA	1544200	UG EQUIP ENCLOSURE PADLOCK NO.2 BRA	5.25	5.25
1	EA	1546034	UG EQUIP PAD UG PAD SLEEVE, TRANSFO	156.45	156.45

1	EA	1547225	UG	EQUIP	U	GUARD	UG	U	GUARD	LEADER	1.06	1.06
3	EA	1547254	UG	EQUIP	U	GUARD	UG	U	GUARD	2 OR 2	7.98	23.94
1	EA	1547350	UG	EQUIP	U	GUARD	UG	U	GUARD	3 IN X	17.33	17.33
1	EA	2322150	TRANS	PAD	MT	1P	TRANSFORMER	PAD	MT		1201.00	1,201.00

TOTAL

13,343.69

WOE835 ESTIMATED SALVAGE FOR CR# 43625

07/27/06 PAGE 1

QTY UM STK NUM

UNIT COST TOTAL COST

TOTAL

.00

FRAMING CODE	INST	REM O & M	DESCRIPTION
DC10R	11900		CONDUCTOR 1/0 ACSR 6/1 RAVEN
DIS52-9S2	2		INSULATOR SUSPENSION 15 KV
DLR/W	16		LABOR SECURE RIGHT OF WAY
DLSTDRIVERP	8		1-HR LABOR ST DRIVER HAUL POLE ACCT MATERIAL
DLSURVEY	16		1 HR LABOR SURVEY DISTRIBUTION OH LINE
DPDECA	2		PRIMARY DEAD-END CLEVIS AUTOMATIC
DP355	26		POLE WOOD 35 FT CLASS 5
UC10J15	1300		CABLE UG 15KV AL 1/0 JACKETED
ULTC	1200		LABOR TRENCH, WORK WITH CONTRACTOR
1024S	1		FRAMING 1024 PLUS STEEL U-GUARD
232B50C	1		TRANS 50 KVA 1PPMT 12.47GRDY/7.2-240/120 W/CAP
2346	25		CROSSARM 2 PHASE WIRES
2354	1		CROSSARM DOUBLE 2PW
2765	3		DEAD-END UB XARM 10 FT DIST BDA 2PW
5028	5		GUY DOWN 3/8" W/GRIP, REFLECTORIZED, W/ANCHOR

Exhibit 2A		Four -Year Potential Revenue Due to Extension		
Otter Tail Power		Low-Mid-Expected Revenue Estimates		
		Low of Expected Revenue Customer A	Mid of Expected Revenue Customer A	Expected Revenue Customer A
Revenue	Cust. Deposit	\$ 12,870.00	\$ 12,870.00	\$ 12,870.00
	Yr 1	\$ 1,500.00	\$ 3,600.00	\$ 6,532.50
	Yr 2	\$ 1,500.00	\$ 3,600.00	\$ 6,532.50
	Yr 3	\$ 1,500.00	\$ 3,600.00	\$ 6,532.50
	Yr 4	\$ 1,500.00	\$ 3,600.00	\$ 6,532.50
4-year Revenue with Deposit		\$ 18,870.00	\$ 27,270.00	\$ 39,000.00
Otter Tail Estimated Extension Cost		\$39,000	\$39,000	\$39,000
Estimated Customer Balance Owed to Otter Tail after 4 years		\$ 20,130.00	\$ 11,730.00	

Exhibit 2B		Four -Year Potential Revenue Due to Extension		
Otter Tail Power		Expected and Additional Customer Revenue Estimates		
		Expected Revenue Customer A	Expected Revenue Customer A + B	Expected Revenue Customer A + B + C
Revenue	Cust. Deposit	\$ 12,870.00	\$ 12,870.00	\$ 6,600.00
	Yr 1	\$ 6,532.50	\$ 3,600.00	\$ 3,600.00
	Yr 2	\$ 6,532.50	\$ 7,200.00	\$ 7,200.00
	Yr 3	\$ 6,532.50	\$ 7,600.00	\$ 10,800.00
	Yr 4	\$ 6,532.50	\$ 7,730.00	\$ 10,800.00
4-year Revenue with Deposit		\$ 39,000.00	\$ 39,000.00	\$ 39,000.00
Otter Tail Estimated Extension Cost		\$39,000	\$39,000	\$39,000
Estimated Customer Balance Owed to Otter Tail after 4 years		\$ -	\$ -	\$ -
Justified	Otter Tail's investment is justified with customer(s) revenue and/or contribution			
Not Justified	Otter Tail's investment is not justified with customer(s) revenue and/or contribution			
These estimate-scenarios are based on reasonable estimates, but assembled for illustrative purposes.				

Response to Information Request

Otter Tail Power Company

Docket Number: CE06-001

Date of Request: July 18, 2006

Requested From: Kevin Kouba Response Due: August 2, 2006

Requesting Information: David Jacobson, SDPUC

Type of Inquiry: Customer Complaint/Revenue Guarantee

Response to Information Request No. 3 (via email)

RE: Complaint Filed By Gene Drong

3. Identify the section(s) from its South Dakota tariff that Otter Tail is following regarding the offer made to Mr. Drong concerning the proposed line extension..

Please see Data Response 2a.

Response by: Kevin Kouba

List Sources of information:

Title: Area Manager

If any, listed in footnotes

Department: Milbank

Telephone: 605-432-4579

Response to Information Request**Otter Tail Power Company**

Docket Number: CE06-001

Date of Request: July 18, 2006

Requested From: Kevin Kouba Response Due: August 2, 2006

Requesting Information:

David Jacobson, SDPUC

Type of Inquiry:

Customer Complaint/Revenue Guarantee

Response to Information Request No. 4 (via email)

RE: Complaint Filed By Gene Drong

4. Provide a map to scale (4" to the mile or similar) showing the location of the proposed line extension including its origination from existing Otter Tail facilities to the location Mr. Drong's new residence. Please show the location of potential additional customers as discussed in your correspondence with Mr. Drong.

Attached as Exhibit 4, is a township print of the area of the proposed development.

The proposed development is south of Egan, SD. We are assuming that any proposed development would be in the area east of Mr. Drong's proposed site (marked by the circled X) and north of the southern-most red line.

Response by: Kevin Kouba

List Sources of information:

Title: Area ManagerIf any, listed in footnotesDepartment: MilbankTelephone: 605-432-4579