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SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

February 1, 2006

Ms. Patricia Van Gerpen
Executive Director
Public Utilities Commission
State of South Dakota
Pierre, SD 57501



Dear Ms. Van Gerpen:

Per telephone conversation with Analyst, Bob Knadle a revised detail of the determination of the fuel adjustment factor for the three months ending December 2005 is enclosed. The revision reflects the corrected kwh sales for August on the South Dakota Over/Under page. The new adjustment factor is applicable on bills dated on and after February 1, 2006 (Billing Cycle 1).

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. Note that net MISO costs appear substantially higher than previous months. This increase is caused by a winter energy purchase contract that flows through MISO. In previous years all the costs of similar purchased energy contracts have appeared on the purchased power line of the monthly calculation.

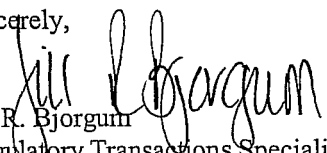
The Company is in the process of implementing and testing new software to track MISO settlements. The Company anticipates that, when this new software is fully implemented, there will be an adjustment, which may reduce costs for prior periods. This adjustment is expected to be included in February's FCA filing.

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 December 2005:

Total Sales in South Dakota	32,200,519 kWh
Sales Subject to Fuel Adjustment	27,872,222 kWh
Average Rate During Period	\$.01154
Revenue in Period	\$321,638.95
Energy Cost Adjustment - Effective 2/1/06 - Revised	\$.00936

Sincerely,


Jill R. Bjorgum
Regulatory Transactions Specialist
Regulatory Services
Enc.