

May 7, 2008

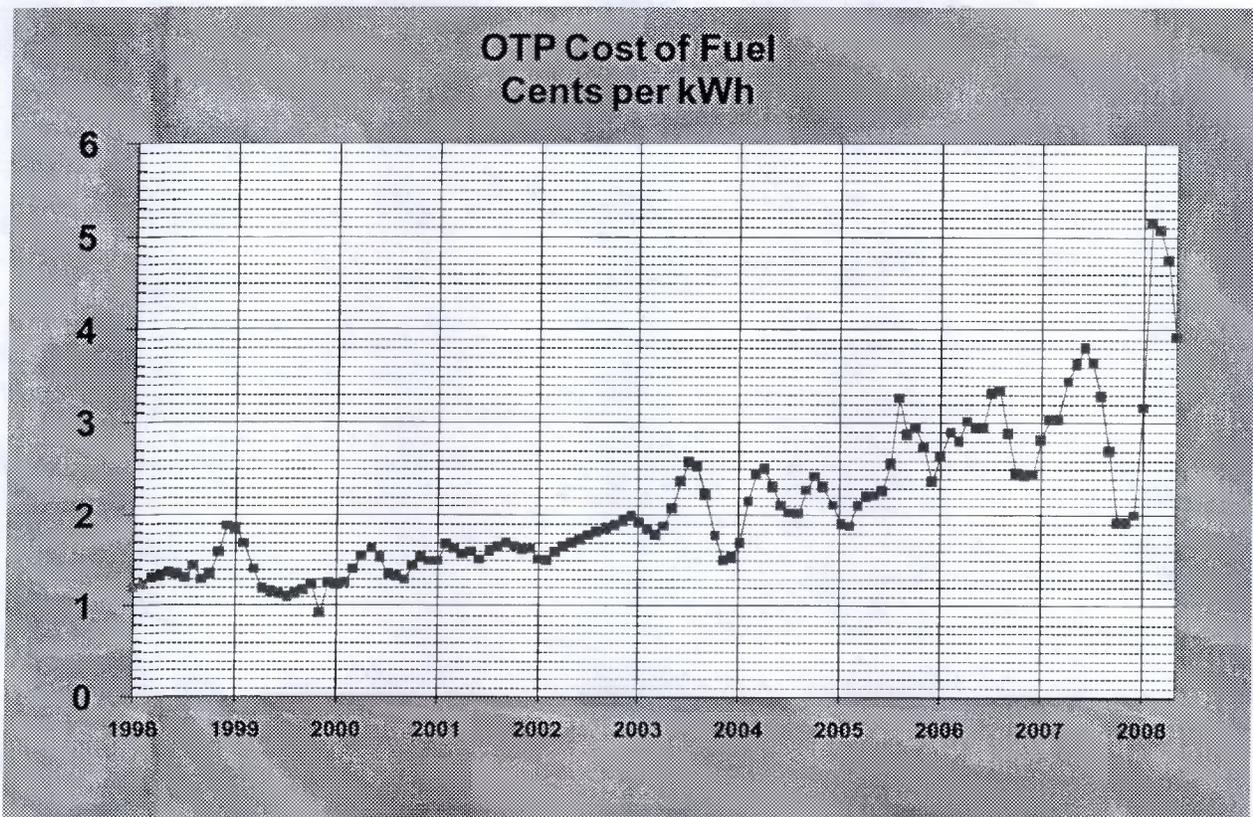
**Otter Tail Corporation  
May 2008  
Fuel Cost Adjustment**

**Case No. PU-08-177**

Otter Tail Corporation decreased its electric fuel cost adjustment by 0.83 cents per kWh from 3.10 cents per kWh. The resulting fuel cost adjustment for the month of May is 2.27 cents per kWh. Otter Tail's fuel cost adjustment continues to decline as unusually high energy costs resulting from the Big Stone plant outage continue through the fuel cost adjustment four-month averaging process.

Combining Otter Tail's fuel cost adjustment with its 1.65 cents per kWh base cost of fuel already included in base tariff rates brings Otter Tail's total average cost of fuel and purchased energy for billing during the month of May to 3.92 cents per kWh as shown on the graph below.

As a result of this change, the electric bill for a typical Otter Tail residential customer consuming 750 kWh per month will decrease by \$6.23 for bills rendered in the month of May.



JRL