

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

LeRoy Koppendraye

Chair

Ken Nickolai

Commissioner

Marshall Johnson

Commissioner

Phyllis Reha

Commissioner

Thomas Pugh

Commissioner

Brian Carlson
Otter Tail Corporation
215 South Cascade Street
PO Box 496
Fergus Falls, MN 56538-0496

SERVICE DATE: APRIL 27, 2006

DOCKET NO. E-017/S-06-219

In the Matter of a Petition by Otter Tail Corporation for Approval of its 2006 Capital Structure and Authorization to Issue Securities

The above entitled matter has been considered by the Commission and the following disposition made:

RECOMMENDATIONS EXCLUDING THE RIGHTS PLAN:

Approved Otter Tail's 2006 estimated capital structure. Approval will remain effective until the Commission issues a new capital structure Order for 2007;

Approved Otter Tail's equity ratio of 63.9 percent plus/minus 10 percent. Equity ratios outside this range may not exceed a period of 60 days without prior Commission approval;

Approved Otter Tail's total capitalization of \$790.135 million with a contingency cap of 10 percent or \$829.149 million. The Company may not exceed its total capitalization including the requested contingency amount for a period exceeding 60 days without Commission approval;

Approved any securities issuance during 2006 that would not result in an equity ratio outside the proposed range, or a total capitalization exceeding its proposed cap for more than 60 days;

Otter Tail shall obtain prior approval for issuance of any securities in calendar year 2006 that would result in an equity ratio outside the approved range, or a total capitalization exceeding its approved cap for more than 60 days;

Approved Otter Tail's request to issue short-term debt not to exceed \$150,000,000 at any time during the calendar year 2006;

The Company shall not pledge utility property or any regulated asset to secure any debt incurred for non-utility or unregulated purposes without explicit Commission consent.

RECOMMENDATIONS REGARDING THE RIGHTS PLAN:

Otter Tail may forego prior Commission approval to issue securities under the Rights Plan and shall refile a revised capital structure petition for review and approval by the Commission within six months after a triggering event; and

If Otter Tail either amends or terminates its Rights Plan prior to January 27, 2007, the Company must notify the Commission as soon as possible after such decision is made, and no later than Otter Tail's next earliest capital structure filing following such termination or amendment;

The Company shall not pledge utility property or any regulated asset to secure any debt incurred for non-utility or unregulated purposes without explicit Commission consent.

The Commission agrees with and adopts the recommendations of the Department of Commerce which are attached and hereby incorporated in the Order.

BY ORDER OF THE COMMISSION

Burl W. Haar
Executive Secretary

(S E A L)

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