

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

LeRoy Koppendrayer

Chair

David Boyd

Commissioner

Marshall Johnson

Commissioner

Phyllis Reha

Commissioner

Thomas Pugh

Commissioner

Todd Hennum
Otter Tail Corporation
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SERVICE DATE: SEPTEMBER 17, 2007

DOCKET NO. E-017/S-07-364

In the Matter of the Petition of Otter Tail Corporation for Approval of its 2007 Capital Structure and Authorization to Issue Securities

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

- 1. Approved Otter Tail's 2007 estimated capital structure. Approval will remain effective until the Commission issues a new capital structure Order for 2008.**
- 2. Approved Otter Tail's equity ratio of 54.3 percent and a contingency range of plus/minus 10 percent around the approved equity ratio. Equity ratios outside this range may not exceed a period of 60 days without prior Commission approval.**
- 3. Approved Otter Tail's proposed total capitalization of \$909.477 million with a contingency cap of 10 percent (or \$1000 million). The Company may not exceed its total capitalization including the requested contingency amount for a period exceeding 60 days without Commission approval.**

4. Approved any securities issuance during 2007 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.

5. Otter Tail must obtain prior approval for issuance of any securities in calendar year 2007 that would result in an equity ratio outside the approved range, or a total capitalization exceeding its approved cap for more than 60 days.

6. 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.

7. This approval does not imply approval of the capital structure for rate making purposes.

8. This approval does not imply approval of specific securities or cost rates for cost of capital or AFUDC calculations for rate making purposes.

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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