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July 17, 2009

Burl W. Haar  
Executive Secretary  
Minnesota Public Utilities Commission  
121 7th Place East, Suite 350  
St. Paul, Minnesota 55101-2147

RE: **Supplemental Comments of the Office of Energy Security of the Minnesota  
Department of Commerce**  
Docket No. E017/M-09-656

Dear Dr. Haar:

Attached are the supplemental comments of the Office of Energy Security (OES) of the Minnesota Department of Commerce in the following matter:

Otter Tail Corporation d/b/a Otter Tail Power Company's Petition for Approval of Standstill Agreement with Cascade Investment, LLC.

The petition was filed on June 1, 2009 by:

Bruce Gerhardson  
Associate General Counsel  
Otter Tail Corporation  
215 South Cascade Street  
PO Box 496  
Fergus Falls, MN 56538-0496

The OES recommends **approval** and is available to answer any questions the Commission may have.

Sincerely,

/s/ EILON AMIT  
Statistical Analyst

EA/ja  
Attachment



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BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

SUPPLEMENTAL COMMENTS OF THE  
OFFICE OF ENERGY SECURITY

DOCKET NO. E017/M-09-656

**I. BACKGROUND**

On June 1, 2009, Otter Tail Corporation d/b/a Otter Tail Power Company (OTP, Otter Tail or the Company) filed a petition for approval of a Standstill Agreement between OTP and Cascade Investment LLC (Cascade).

On June 26, 2009, the Office of Energy Security (OES) of the Minnesota Department of Commerce filed comments recommending approval of the Standstill Agreement between OTP and Cascade.

On July 15, 2009, OTP filed reply comments and supplement.

**II. SUMMARY OF OTP'S REPLY COMMENTS AND SUPPLEMENT, AND ANALYSIS**

**A. INTRODUCTION**

OTP states in its reply comments that it agrees with the OES's analysis and recommendation. OTP further states that on July 1, 2009, Otter Tail Corporation consummated its holding company restructuring. As a result, OTP filed a supplement with its reply comments, amending the original Standstill Agreement to recognize the restructuring of Otter Tail Corporation (OTC) into a holding company.

*B. ANALYSIS*

Section 4 of the original Standstill Agreement states that upon consummation of OTP's restructuring application, the new Otter Tail (the restructured Company, or OTC) and Cascade would enter into a new Standstill Agreement. Moreover, once the new Standstill Agreement is executed the original Standstill Agreement would automatically terminate. As reported by OTP in its reply comments, OTP's restructuring was consummated, a new Standstill Agreement between Cascade and OTC was executed and the original Standstill Agreement was terminated.

As stated by OTP and verified by the OES, the new Standstill Agreement contains no essential changes to the original Standstill Agreements. The only changes in the new Standstill Agreement are changes to recognize the restructuring of Otter Tail Corporation into a holding company. Therefore, based on its conclusions and recommendation in its initial comments, the OES recommends that the Commission approve the new Standstill Agreement between Otter Tail Corporation and Cascade.

/ja

**CERTIFICATE OF SERVICE**

I, Jan Mottaz, hereby certify that I have this day served copies of the following document on the attached list of persons by electronic filing, e-mail, or by depositing a true and correct copy thereof properly enveloped with postage paid in the United States Mail at St. Paul, Minnesota.

Minnesota Office of Energy Security Comments

Docket No.E017/M-09-656

Dated this 17th day of July, 2009.

/s/jan mottaz

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Fergus Falls MN 565380496