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May 31, 2016

Ms. Patricia Van Gerpen
Executive Director
South Dakota Public Utilities Commission
Capitol Building, 1st floor
500 East Capitol Avenue
Pierre, SD 57501-5070

**Re: In the Matter of Otter Tail Power Company's 2015 South Dakota Jurisdictional Report to the South Dakota Public Utilities Commission
Docket No. EL15-045**

Dear Ms. Van Gerpen:

Enclosed you will find the 2015 Annual Report for Otter Tail Power Company (Otter Tail) which is being submitted pursuant to the Settlement Stipulations approved by the Commission in Otter Tail's 2015 Transmission Cost Recovery Rider (TCR), Docket No. EL15-045. The report provides the regulated returns for Otter Tail for calendar year 2015 on an actual and normalized basis with 2014 actual year regulated results also being provided for comparative purposes.

Key contributors to the decrease in Otter Tail's return on equity for 2015 include a decrease in energy sales in South Dakota, as well as increases to the Average Regulated Rate Base, offset by a higher equity percentage of the capital structure in 2015.

Also enclosed is a Request for Confidential Treatment of Exhibits 5 and 6, and Addendum 4.

If you have any questions regarding this filing, please contact me at 218-739-8385 or bhaugen@otpc.com.

Sincerely,

/s/ BRYCE C. HAUGEN
Bryce C. Haugen
Senior Rates Analyst
Regulatory Administration

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Enclosures
By electronic filing