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April 20, 2009

**Reply to Fergus Falls office
Direct: 218-998-7106**

Mr. J. Gordon Seymour
Secretary
Public Company Accounting Oversight Board
1666 K Street, N.W.
Washington, DC 20006-2803

RE: PCAOB Rulemaking Docket Matter No. 025 – Engagement Quality Review

Dear Mr. Seymour:

The purpose of this letter is to provide comments from Otter Tail Corporation on the Public Company Accounting Oversight Board's Proposed Auditing Standard – Engagement Quality Review. Otter Tail Corporation had revenues of \$1.3 billion in 2008. Established in 1907 as an electric utility, Otter Tail has expanded its scope to include interests in health services, manufacturing, plastics, food ingredient processing, construction and transportation. Our audit fees, exclusive of non-recurring items and non-audit services have approximated \$1.3 million. It is important to us to manage our costs and the annual audit fees are a cost that we monitor closely. Any regulatory rulemaking proposal that potentially affects the aggregate costs of audit services is of interest to us.

We appreciate the work the Board has put into this proposed standard in order to strengthen the existing requirements and process for an Engagement Quality Review (EQR) and lead to consistency in the application of a standard for EQRs. After reviewing the Proposed Standard we feel that some of the provisions could lead to duplication and we have concerns with the amount of time that might be spent on the EQR. These processes could lead to increased audit fees to companies such as Otter Tail. For your consideration we provide the following comments.

Paragraphs 12 and 17 – Concurring Approval of Issuance

We agree with the Board's requirement that the EQR be conducted with due professional care. Due professional care is a concept familiar to auditors and consistent with other auditing standards. We are however concerned with the language on page 24 of the Release that the "requirement to exercise due professional care imposes on a reviewer essentially the same requirement as the "knows, or should know" based on the requirements of this standard". It is very difficult to determine what "should know" is. "Should know" is more easily determined after the fact than during the actual process. We would not want the reviewer doing the same amount of work as the engagement partner. We would recommend removal of the relationship of due professional care to "knows, or should know".

Paragraph 19 – Documentation of an Engagement Quality Review

Paragraph 19(c) requires that the documentation of the EQR include significant discussions held by the reviewer and others who assisted the reviewer, including the date of each discussion, the specific matters discussed, the substance of the discussion and the participants. Our concern here would be with potential redundancy of documentation within the audit workpapers. We are concerned with the amount of time that will be spent by the reviewer in preparing this documentation. Similar documentation of the discussions between the engagement partner and the reviewer may have also been made within the audit workpapers. It may be determined by the reviewers that they need to document each discussion in order to comply with this Proposed Standard. That would seem to be overly burdensome to the audit firm and costly to the firm's clients.

Thank you for this opportunity to provide comments to this Proposed Standard. Our primary concern is that the Board find a way to balance meeting the objectives of the EQR without significant cost increases to the companies being audited.

Sincerely,

A handwritten signature in cursive script that reads "Debra Wilke".

Debra Wilke
Director, Corporate Accounting