

OTTER TAIL CORP  
Form SC 13D  
January 22, 2009

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**SCHEDULE 13D**

Under the Securities Exchange Act of 1934  
(Amendment No. \_\_\_\_)\*

**OTTER TAIL CORPORATION**

(Name of Issuer)

**Common Stock, par value \$5.00 per share**

(Title of Class of Securities)

**689648103**

(CUSIP Number)

**Robert P. Davis, Esq.  
Cleary Gottlieb Steen & Hamilton LLP  
One Liberty Plaza  
New York, New York 10006  
(212) 225-2670**

**Laurie Smiley, Esq.  
Arian Colachis, Esq.  
Cascade Investment, L.L.C.  
2365 Carillon Point  
Kirkland, WA 98033  
(425) 889-7900**

(Name, Address and Telephone Number of Person Authorized to  
Receive Notices and Communications)

**January 21, 2009**

(Date of Event which Requires Filing of this Statement)

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If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box [ ].\*\*

**Note:** Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See § 240.13d-7 for other parties to whom copies are to be sent.

\*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be filed for the purpose of Section 18 of the Securities Exchange Act of 1934 ( Act ) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

\*\* See Item 4.

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CUSIP No. 689648103

- 1** Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only)  
Cascade Investment, L.L.C.
- 2** Check the Appropriate Box if a Member of a Group (See Instructions)  
(a)   
(b)
- 3** SEC Use Only
- 4** Source of Funds (See Instructions)  
WC
- 5** Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)
- 6** Citizenship or Place of Organization  
State of Washington
- 7** Sole Voting Power  
3,406,499(1)
- 8** Shared Voting Power
- Number of Shares Beneficially Owned by  
Each Reporting Person With **9** Sole Dispositive Power  
3,406,499(1)
- 10** Shared Dispositive Power
- 0-
- 11** Aggregate Amount Beneficially Owned by Each Reporting Person  
3,406,499(1)
- 12** Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)
- 13** Percent of Class Represented by Amount in Row (11)  
9.6%
- 14** Type of Reporting Person (See Instructions)  
OO

(1) All shares of common stock of Otter Tail Corporation, beneficially owned by Cascade Investment, L.L.C. ( Cascade ) may be deemed to be beneficially owned by William H. Gates III as the sole member of Cascade. Michael Larson, the Business Manager of Cascade, has voting and investment power with respect to the common stock held by Cascade. Mr. Larson disclaims beneficial ownership of the common stock beneficially owned by Cascade and Mr. Gates.

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CUSIP No. 689648103

- 1** Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only)  
William H. Gates III
- 2** Check the Appropriate Box if a Member of a Group (See Instructions)  
(a)   
(b)
- 3** SEC Use Only
- 4** Source of Funds (See Instructions)  
WC
- 5** Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)
- 6** Citizenship or Place of Organization  
United States of America
- |  |           |                          |
|--|-----------|--------------------------|
|  | <b>7</b>  | Sole Voting Power        |
|  |           | 3,406,499 (1)            |
|  | <b>8</b>  | Shared Voting Power      |
| Number of Shares Beneficially Owned by<br>Each Reporting Person With |           | -0-                      |
|  | <b>9</b>  | Sole Dispositive Power   |
|  |           | 3,406,499(1)             |
|  | <b>10</b> | Shared Dispositive Power |
|  |           | -0-                      |
- 11** Aggregate Amount Beneficially Owned by Each Reporting Person  
3,406,499 (1)
- 12** Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)
- 13** Percent of Class Represented by Amount in Row (11)  
9.6%
- 14** Type of Reporting Person (See Instructions)  
IN

(1) All shares of common stock of Otter Tail Corporation beneficially owned by Cascade Investment, L.L.C. ( Cascade ) may be deemed to be beneficially owned by William H. Gates III as the sole member of Cascade. Michael Larson, the Business Manager of Cascade, has voting and investment power with respect to the common stock held by Cascade. Mr. Larson disclaims beneficial ownership of the common stock beneficially owned by Cascade and Mr. Gates.

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### Item 1. Security and Issuer

This statement relates to the Common Stock, par value \$5.00 per share ( Common Stock ) of Otter Tail Corporation (the Issuer ). The principal executive offices of the Issuer are located at 215 South Cascade Street, Box 496, Fergus Falls, MN, 56538-0496

### Item 2. Identity and Background

(a) This Statement is being filed jointly by Cascade Investment, L.L.C. ( Cascade ) and William H. Gates III ( Gates ). The foregoing persons are hereinafter sometimes referred to collectively as the Reporting Persons.

(b)-(c) Cascade is a limited liability company organized under the laws of the State of Washington. Cascade is a private investment entity that seeks appreciation of its assets for the benefit of its owner. The address of Cascade s principal place of business and principal office is 2365 Carillon Point, Kirkland, Washington 98033.

Mr. Gates, a natural person, is the Chairman of the Board of Microsoft Corporation. Mr. Gates is the sole member of Cascade. The address of his principal office and principal place of business is One Microsoft Way, Redmond, Washington 98052.

The executive officers and persons controlling Cascade are set forth on Exhibit 99.1, which is attached hereto and incorporated herein by reference. Exhibit 99.1 sets forth the following information with respect to each such person: (i) name; (ii) business address; (iii) present principal occupation or employment and the name, principal business and address of any corporation or other organization in which such employment is conducted; and (iv) citizenship.

(d)-(e) During the last five years, neither the Reporting Persons nor any person named in Exhibit 99.1 has been (i) convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or (ii) a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

(f) Mr. Gates is a citizen of the United States of America.

### Item 3. Source and Amount of Funds or Other Consideration

Cascade purchased the Common Stock of the Issuer with its working capital. Cascade did not purchase any Common Stock with borrowed funds.

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### Item 4. Purpose of Transaction

The Reporting Persons have been investors in the Issuer since 2000 in the ordinary course of their business. The Reporting Persons previously reported their beneficial ownership of the Common Stock of the Issuer in a statement on Schedule 13G, initially filed on April 28, 2000 and amended on February 9, 2001, February 13, 2003, February 17, 2004, February 14, 2005 and February 14, 2006. The Reporting Persons are filing this Schedule 13D in lieu of filing additional amendments to such Schedule 13G. Neither the filing of this Schedule 13D nor anything contained herein shall be deemed an admission that the Reporting Persons are (1) required to file this Schedule 13D pursuant to Rule 13d-1(e) or subject to the restrictions contained therein or (2) no longer eligible to file a Schedule 13G with respect to the Issuer pursuant to Rule 13d-1(c).

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From time to time the Reporting Persons have engaged and expect in the future to engage in discussions with management and members of the Board of the Issuer concerning the Reporting Persons' investments in the Issuer and the business and strategic direction of the Issuer. See Item 6. Subject to receipt of all necessary and appropriate Issuer and regulatory approvals, the Reporting Persons may at any time and from time to time, in privately negotiated transactions or otherwise, acquire additional securities of the Issuer. The Reporting Persons may also at any time and from time to time dispose of all or a portion of the securities of the Issuer that the Reporting Persons now own or may hereafter acquire. The Reporting Persons continuously review their investment in the Issuer and reserve the right to change their plans and intentions at any time, as they deem appropriate, and to take any and all actions that they may deem appropriate to maximize the value of their investment.

Except as set forth herein, the Reporting Persons have no current intention, plan or proposal with respect to: (a) the acquisition by any person of additional securities of the Issuer, or the disposition of securities of the Issuer; (b) an extraordinary corporate transaction, such as a merger, reorganization or liquidation, involving the Issuer or any of its subsidiaries; (c) a sale or transfer of a material amount of assets of the Issuer or any of its subsidiaries; (d) any change in the present board of directors or management of the Issuer, including any plans or proposals to change the number or term of directors or to fill any existing vacancies on the board; (e) any material change in the present capitalization or dividend policy of the Issuer; (f) any other material change in the Issuer's business or corporate structure, including but not limited to, if the Issuer is a registered closed-end investment company, any plans or proposals to make any changes in its investment policy for which a vote is required by section 13 of the Investment Company Act of 1940; (g) changes in the Issuer's charter, bylaws or instruments corresponding thereto or other actions which may impede the acquisition of control of the Issuer by any person; (h) causing a class of securities of the Issuer to be delisted from a national securities exchange or to cease to be authorized to be quoted in an inter-dealer quotation system of a registered national securities association; (i) a class of equity securities of the Issuer becoming eligible for termination of registration pursuant to section 12(g)(4) of the Securities Exchange Act of 1934; or (j) any action similar to any of those enumerated above.

### Item 5. Interest in Securities of the Issuer

(a) See items 11 and 13 of the cover pages to this Schedule 13D for the aggregate number of shares and percentage of Common Stock beneficially owned by each of the Reporting Persons.

(b) See items 7 through 10 of the cover pages to this Schedule 13D for the number of shares of Common Stock beneficially owned by each of the Reporting Persons as to which there is sole power to vote or to direct the vote, shared power to vote or to direct the vote and sole or shared power to dispose or to direct the disposition.

(c) Except as set forth in this Schedule 13D, none of the Reporting Persons, nor, to the knowledge of the Reporting Persons, any of the persons listed on Exhibit 99.1, (i) beneficially own any shares of Common Stock or (ii) have effected any transaction in Common Stock during the past 60 days.

(d) Except as set forth in this Schedule 13D, to the knowledge of the Reporting Persons, no person has the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, securities covered by this Schedule 13D.

(e) Not applicable.

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### Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer

On February 23, 2007, Cascade entered into a Note Purchase Agreement with the Issuer in a private placement transaction for the purchase of the Issuer's \$50,000,000 5.778% Senior Note due November 30, 2017 ( "Note" ). The Note was issued on December 14, 2007. For a description of the Note and Note Purchase Agreement please see the two Forms 8K filed by the Issuer on February 28, 2007 and December 20, 2007 and

Management's Discussions and Analysis of Financial Condition and Results of Operations -- Capital Resources contained in the Issuer's 2007 Annual Report to Shareholders incorporated by reference in the Issuer's Annual Report on Form 10K for the year ended December 31, 2007.



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Other than the relationships mentioned above, the Joint Filing Agreement dated January 21, 2009 (included on the signature page attached hereto), and the Note Purchase Agreement noted above, to the best knowledge of the Reporting Persons, there are no contracts, arrangements, understandings or relationships (legal or otherwise) among the persons named in Item 2 and between such persons and any persons with respect to any securities of the Issuer, including, but not limited to, transfer or voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, puts or calls, guarantees of profits, division of profits or loss, or the giving or withholding of proxies.

### Item 7. Material to be Filed as Exhibits

- Exhibit 99.1 List of each executive, director or person controlling Cascade Investment, L.L.C.
- Exhibit 99.2 Note Purchase Agreement dated February 23, 2007, by and among Cascade Investment, L.L.C. and Otter Tail Corporation, (incorporated herein by reference to Exhibit 4.1 to the Issuer's Form 8K, filed with the SEC on February 28, 2007)

**SIGNATURE**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: January 21, 2009

CASCADE INVESTMENT, L.L.C.

By: /s/Michael Larson

Name: Michael Larson  
Title: Business Manager

WILLIAM H. GATES III

By: /s/ Michael Larson

Name: Michael Larson (1)  
Title: Attorney-in-fact

**JOINT FILING AGREEMENT**

We, the signatories of the statement to which this Joint Filing Agreement is attached, hereby agree that such statement is filed, and any amendments thereto filed by either or both of us will be filed, on behalf of each of us.

Dated: January 21, 2009

CASCADE INVESTMENT, L.L.C.

By: /s/Michael Larson

Name: Michael Larson  
Title: Business Manager

WILLIAM H. GATES III

By: /s/Michael Larson

Name: Michael Larson (1)  
Title: Attorney-in-fact

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(1) Duly authorized under Special Power of Attorney appointing Michael Larson attorney-in-fact, dated February 3, 2006, by and on behalf of William H. Gates III, filed as Exhibit 99.1 to Cascade Investment, L.L.C.'s Amendment No. 2 to Schedule 13G with respect to Arch Capital Group Ltd. on March 7, 2006, SEC File No. 005-45257, and incorporated by reference herein.