

New South Dakota rates begin with this electric service statement
 (Effective **Month Day**, 2009)

Change in South Dakota electric rates

On **Month Day**, 2009, the PUC approved a revenue increase for Otter Tail Power Company of approximately \$2.9 million, or about 11.7 percent. The amount approved is less than Otter Tail Power Company’s request of \$3.9 million, or about 15.3 percent. The PUC-approved increase was the first South Dakota rate increase approved for Otter Tail Power Company in over 21 years. One of the primary drivers of this increase, in addition to rising costs and growing energy use, is the cost associated with the significant amount of wind generation Otter Tail Power Company has recently constructed. While this additional wind generation requires an increase to base electric rates, it will reduce Otter Tail Power Company’s energy purchases, and therefore customer bills will reflect an offsetting reduction in the Energy Adjustment.

Residential electric rate structures

	<i>Previous*</i>	<i>New</i>
Residential service		
Monthly customer charge (Zone 1)	\$ 5.80	\$7.00
Monthly customer charge (Zone 9)	\$ 6.55	\$7.00
Energy charge per kwh (June-September)	First 200 – 7.579¢ Next 800 – 6.453¢ Excess – 5.129¢	First 500 – 9.024¢ Excess – 7.799¢
Energy charge per kwh (October-May)	Same as June-September	First 500 – 8.713¢ Excess – 7.596¢

*Energy charges in the Previous column do not include the average cost of energy in the Energy Adjustment of 1.298 cents per kwh that customers paid in 2007.

Residential electric service
Summer monthly bill example¹

Usage (kwh)	Previous rates ²	New rates	Amount of increase ³	Percent increase
500	\$46.81	\$52.12	\$5.31	11.35%
600	\$54.56	\$59.92	\$5.36	9.83%
700	\$62.31	\$67.72	\$5.41	8.68%
800	\$70.06	\$75.52	\$5.46	7.79%
1,500	\$117.70	\$130.11	\$12.41	10.55%
2,500	\$181.97	\$208.10	\$26.13	14.36%

Residential electric service
Winter monthly bill example¹

Usage (kwh)	Previous rates ²	New rates	Amount of increase ³	Percent increase
500	\$46.81	\$50.57	\$3.76	8.03%
600	\$54.56	\$58.16	\$3.60	6.60%
700	\$62.31	\$65.76	\$3.45	5.53%
800	\$70.06	\$73.35	\$3.29	4.70%
1,500	\$117.70	\$126.53	\$8.83	7.50%
2,500	\$181.97	\$202.49	\$20.52	11.28%

¹Summer season is June through September and winter season is October through May.

²Previous rate assumes an average cost of energy of 1.298 cents per kwh

³The increase amount for Zone 9 customers will be lower by 75 cents due to the Previous higher customer charge for Zone 9 customers.

These charts do not reflect bill impacts to controlled-service rates. Visit www.otpc.com to review tariffs for each Otter Tail Power Company rate.

	<i>Previous*</i>	<i>New</i>
Residential demand control		
Monthly customer charge	\$ 10.55	\$12.00
Energy charge per kwh (June-September)	3.265¢	5.253¢
Energy charge per kwh (October-May)	Same as June-September	5.303¢
Demand charge per kw (June-September)	\$3.00	\$4.71
Demand charge per kw (October-May)	\$6.00	\$4.31

*Energy charges in the Previous column do not include the average cost of energy in the Energy Adjustment of 1.298 cents per kwh that customers paid in 2007.

**Residential demand control
Summer monthly bill example¹**

Usage (kwh)	Previous rates ²	New rates	Amount of increase	Percent increase
1,000	\$71.18	\$88.08	\$16.90	23.74%
1,500	\$94.00	\$114.35	\$20.35	21.65%
2,000	\$116.81	\$140.61	\$23.80	20.37%
3,000	\$162.44	\$193.14	\$30.70	18.90%
4,000	\$208.07	\$245.67	\$37.60	18.07%
5,000	\$253.70	\$298.20	\$44.50	17.54%

**Residential demand control
Winter monthly bill example¹**

Usage (kwh)	Previous rates ²	New rates	Amount of increase	Percent increase
1,000	\$86.18	\$86.58	\$0.40	0.46%
1,500	\$109.00	\$113.10	\$4.10	3.76%
2,000	\$131.81	\$139.61	\$7.80	5.92%
3,000	\$177.44	\$192.64	\$15.20	8.57%
4,000	\$223.07	\$245.67	\$22.60	10.13%
5,000	\$268.70	\$298.70	\$30.00	11.16%

¹Summer season is June through September and winter season is October through May.

²Previous rate assumes an average cost of energy of 1.298 cents per kwh
We've assumed a kw demand of 5 for this comparison.

The PUC approved an overall increase of 11.48 percent for the residential class. However, the impact to your electric service statement will vary depending on the electric rate(s) on which you are served—including controlled-service rates not listed above—and the amount of electricity you use. Your statement also will vary with changes associated with the costs for purchased power and the fuel Otter Tail Power Company uses to serve you. Please remember that we pass along purchased-energy and fuel costs without markup.

Controlled-service and other rates not mentioned in this brochure

We encourage residential customers to visit www.otpc.com, or contact Customer Service at 800-257-4044, to learn about other rate changes that may apply to you, such as those associated with dual fuel and other controlled-service rates.