

**SERVICE TERRITORY EXCEPTION AGREEMENT
BETWEEN
LAKE REGION ELECTRIC ASSOCIATION AND OTTER TAIL POWER COMPANY**

Lake Region Electric Association (LREA) and Otter Tail Power Company (Otter Tail) jointly agree to allow LREA to provide electric service to a single phase - new home service located, near Waubay, South Dakota on Lot One of Gaikowski Hill Top Subdivision in the SE Qtr. of the SE Qtr. of Section 14 Waubay Township 122 N, Range 53 in Day County, South Dakota.

While the parcel of land resides within the existing Otter Tail Service Territory as established in 1975 by the South Dakota Legislature and codified in SDCL 49-34A-42, LREA's electric facilities are more conveniently located relative to providing service to this customer.

A drawing of the service site is attached to this agreement as exhibit A. Missy Gaikowski, customer, desires that LREA connect this facility and services the electrical load.

LREA and Otter Tail have concluded that, in this instance, the customer's interests will be best served by receiving service from LREA and have agreed to this exception to the existing territorial agreement.

We also agree that each such instance where territory boundaries become a factor will be dealt with on an individual basis.

This consent on the part of LREA is limited to the said services described in this agreement and this territory exception will automatically terminate upon removal or abandonment of such services.

This exception is not to be construed as having any impact upon or indicating a desire to change the service area assigned by the South Dakota Public Utilities Commission.

The Parties agree to jointly submit these agreed upon changes to the South Dakota Public Utilities Commission for approval.

LAKE REGION ELECTRIC ASSOCIATION

BY


Tom Lundborg, Operations Manager

DATE:

10/12/11

OTTER TAIL POWER COMPANY

BY


Kevin Kouba, Area Manager

DATE:

10/4/11