

SERVICE TERRITORY EXCEPTION AGREEMENT

BETWEEN

OTTER TAIL POWER COMPANY AND LAKE REGION ELECTRIC ASSOCIATION

Otter Tail Power Company (Otter Tail) and Lake Region Electric Association (LREA) jointly agree to allow Otter Tail to provide Three-phase electric service to the Blue Dog Hatchery in Waubay, South Dakota located in the East ½ of the Southwest ¼ of the Southwest ¼ of Section 21, township 122N, Range 54W, in the South ½ of the Northwest ¼ of the Southwest ¼ of Section 21, Township 122N, Range 54W, and in Lot Five of Section 21, Township 122N, Range 54W in Day County.

Any current or future Three-phase load will be served by Otter Tail and any current or future Single-phase load will be served by LREA.

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

A drawing of the service site is attached to this agreement as exhibit A. South Dakota Game, Fish, and Parks, customer, desires that Otter Tail connect this facility and services the Three-phase electrical load.

Otter Tail and LREA have concluded that, in this instance, the customer's interests will be best served by receiving Three-phase service from Otter Tail 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.

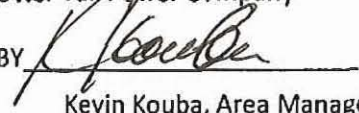
This consent on the part of Otter Tail is limited to the said services described in this agreement and this territory exception will automatically terminate upon removal or abandonment of such services.

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.

Otter Tail Power Company

BY



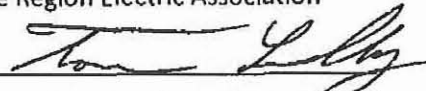
Kevin Kouba, Area Manager

DATE:

8/17/2012

Lake Region Electric Association

BY



Tom Lundborg, Operations Manager

DATE:

8-15-2012