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August 17, 2012

Patty Van Gerpen, Executive Director
South Dakota Public Utilities Commission
State Capitol Building
500 East Capitol Avenue
Pierre, SD 57501-5070

Dear Ms. Van Gerpen:

Enclosed for filing please find an original copy of an execute "Service Territory Exception Agreement" between Otter Tail Power Company and Lake Region Electric Association.

This agreement seeks to modify an existing service territory boundary in rural Day County, South Dakota. The accompanying drawing provides additional graphical detail to this request. The service is located 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.

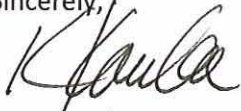
For convenience of all of the parties, Otter Tail Power Company has agreed to provide three-phase service as depicted on the diagram to the Blue Dog Hatchery. This Service Territory Exception Agreement would be contingent upon approval of the proposed route by the Bureau of Indian Affairs and the private land owners. Approval of the proposed route is expected to be received in early September, after which Otter Tail Power Company would immediately start construction of the required facilities in order to provide three-phase service to the facility.

Included in this agreement between Otter Tail Power Company and Lake Region Electric Association is a consent signature from Anthony Leif, Director, Wildlife Division, of the South Dakota Game, Fish, & Parks representing the Blue Dog Hatchery, the facility affected by this change, in which the customer is in full support of this change.

Otter Tail Power Company respectfully requests that the South Dakota Public Utilities Commission approve this agreement.

If there are any questions, please call me at 605-880-0975.

Sincerely,

A handwritten signature in black ink, appearing to read "K Kouba". The signature is fluid and cursive, with the first letter "K" being particularly large and stylized.

Kevin Kouba, Area Manager
Otter Tail Power Company