

404 South Second Street  
PO Box 392  
Milbank, South Dakota 57252-0392  
605 432-4579  
800 257-4044  
www.otpco.com

April 27, 2006



Mr. Gene Drong  
23225 471<sup>st</sup> St  
Colman, SD 57017

Electric service to new home

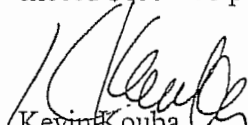
Mr. Drong,

During a recent telephone conversation in which yourself, Steve Wegman of the PUC, and I participated, Otter Tail Power Company offered the following option in order to provide electric service to your new home.

Otter Tail Power Company will charge \$12,870.00 (7,150 feet X \$1.80 per foot) as an aid to construction to provide electric service to your new home.

We will allow a four-year development period for the other lots that you own. Should other homes be built in the next four years, we will review the electric revenue from your home and any others that are built.

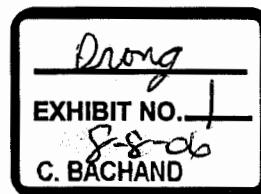
Should the electric revenue from your home and any others constructed in this area meet or exceed \$6532.50 per year for four years (\$544 per month), no further payment will be necessary.

  
Kevin Kouba

Area Manager

Jerry Hetlet, Chris Bartman, Steve Wegman

Handwritten calculation:  
26112  
122570  
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38982

  
Drong  
EXHIBIT NO. 1  
8-8-06  
C. BACHAND

**EXHIBIT A**