

MUNICIPAL SERVICE AGREEMENT

1. THIS AGREEMENT, made this 1st day of **June, 2007** by and between the Otter Tail Power Company, a division of Otter Tail Corporation, hereinafter called Otter Tail Power, a corporation, duly organized and existing under and by virtue of the laws of the State of Minnesota, and the City, of Summit, SD hereinafter called the Municipality, WITNESSETH:
2. That, in consideration of the payments to be made and the mutual covenants herein contained and subject to the terms and conditions of this agreement, Otter Tail Power agrees to supply all municipal electric services to the Municipality, and the Municipality agrees to take and use the services and all electric energy requested therefore, and to pay the rates and charges for Street Lighting, Municipal Pumping and Fire Sirens, all as hereinafter specifically set forth for a term of (1) one year with an effective date of the term to be **June 1, 2007**, and terminating **June 1, 2008**, and thereafter shall be renewed for periods of one year each, unless written notice to the contrary is given by either party to the other not less than thirty (30) days before the expiration of this agreement or any renewal thereof.
3. The rates to be charged for the municipal electric service shall be Otter Tail Power's standard rates as determined by its standard rate schedule as specifically filed with and approved by the Public Utilities Commission for Street lighting Municipal Pumping and Fire Sirens and which are in effect at the execution of this agreement and/or such superseding amendments or changes as are approved by the South Dakota Public Utilities Commission during the terms of this agreement.
4. Otter Tail Power is subject to the jurisdiction of the South Dakota Public Utilities Commission and when required by the Commission's Order or Rules and Regulations, may submit this agreement for review and approval.

STREET LIGHTING

5. Otter Tail Power agrees to own and operate a street lighting system in the municipality, consisting of supply circuits, control circuits, controls, and brackets and fixtures as provided in this agreement.
6. The Municipality shall have the right to erect, operate, and maintain at its own expense a white way system and/or main street lighting system, ready for connection to Otter Tail Power's supply source. Otter Tail shall supply any necessary meters and make the final connection to its supply system. Otter Tail Power shall supply the necessary electric energy to light such system. The rates, terms and conditions of a white way system and/or main street lighting system, shall be determined by Otter Tail Power's "Outdoor Lighting Energy Only Rate" and/or such superseding amendments or changes as are approved by the South Dakota Utilities Commission during the terms of this agreement.
7. The residential, white way, and main street lighting installation covered by this agreement shall consist of the following:

No. of Units	Type	Lumens	Ownership			Pole		Service		Lamp Renewal By	Monthly Chg. Per Unit
			Fixture	Pole	Wire	Wood	Metal	O/H	U/G		
17	HPS14	14,000	OTP	OTP	OTP	X		X		OTP	\$10.60
46	MV6	6,000	OTP	OTP	OTP	X		X		OTP	\$6.30
2	400MAF	30,000	OTP	OTP	OTP	X		X		OTP	\$16.70
1	INCAND		CITY		CITY				X	CITY	\$1.58

8. The total number of fixtures shall not be reduced to less than sixty percent of the total as shown in Paragraph 7 above, except by mutual consent of the parties.

9. Fixtures installed after the date of this agreement shall be billed at the schedule of rates in effect at the time of installation and/or such superseding amendments or changes as are approved by the South Dakota Utilities Commission during the terms of this agreement.

MUNICIPAL PUMPING

10. Otter Tail Power agrees to furnish electric power and energy to operate the pumps for the Municipality's present water supply system and present sewage system, and such additions to these systems as may be mutually agreed upon, in accordance with the terms and conditions as set forth in this agreement.
11. Electric energy used for lighting, heating, power tools, and other uses necessary for the normal operation of these systems, on approval of Otter Tail Power, may be included. Otter Tail Power shall supply any necessary meters. The Municipality agrees to provide a suitable location for meters to be installed on its premises.
12. The Municipality will pay for all electric energy used for municipal pumping and incidental uses as described in Paragraphs 10 and 11 above, in accordance with the provisions and changes contained in the applicable rate schedule in effect at the execution of this agreement and/or such superseding amendments or changes as are approved by the South Dakota Public Utilities Commission during the terms of this agreement.

FIRE SIRENS

13. The Municipality operates fire/warning sirens as listed below:

Location	Metered		Horsepower	Account Number	Billing Amount
	Yes	No			
Fire Hall	X		10	14-009783	Metered

GENERAL PROVISIONS

14. Otter Tail Power shall use due diligence and care in maintaining service, but shall not be liable for loss or damage arising from failure, either partial or total, of the service from any cause, but this shall not be construed to exempt Otter Tail Power from liability for negligence.
15. In case a meter fails to properly record the energy used, an equitable estimate will be made for the energy used during the period in question and shall be based on the best information available.
16. All previous agreements, if any, between the parties hereto, covering the subject matter hereof, are hereby cancelled and terminated as of the effective date specified in Paragraph 2 of this agreement, except as specifically provided in this agreement.

17. IN WITNESS WHEREOF, the respective parties hereto have caused this agreement to be executed by their proper officers thereunto duly authorized, and the same shall be equally binding to the respective parties and each of their successors and assigns.

OTTER TAIL POWER COMPANY,
a division of Otter Tail Corporation

In the presence of:

By *Don Huleand*
Title *VP / Customer Service*

MUNICIPALITY

In the presence of:

City of Summit
By *[Signature]*
Mayor

(Municipal Seal)

(For Company use only)	Date	By
Entered to Billing Record		

<u>CUSTOMER</u>	<u>CLASS OF SERVICE</u>	<u>EXECUTION AND EXPIRATION DATES</u>	<u>NON-STANDARD RATES</u>	
Town of New Effington New Effington	Street Light	5/1/2002 5/1/2012	Contract period of 10 years.	
City of Oldham Oldham	Street Light	5/15/2002 5/15/2012	Contract period of 10 years.	
City of Ortley Ortley	Street Light	6/1/1997 6/1/2007	Contract period of 10 years.	
Town of Peever Peever	Street Light	8/1/1998 8/1/2008	Contract period of 10 years.	D
Town of Roslyn Roslyn	Street Light	10/28/1999 10/28/2009	Contract period of 10 years.	
Valley Queen Cheese Boiler - Milbank	Bulk Interruptible	6/1/2005 6/1/2009	See 1st Revised Sheet No. 50.7 Code 42-680	C
Village of Stockholm Stockholm	Street Light	6/1/1997 6/1/2007	Municipal Ownership: \$2.58 per month for energy - 150 watt floodlight. Contract period of 10 years.	
Village of Strandburg Strandburg	Street Light	6/1/1997 6/1/2007	Contract period of 10 years.	
City of Summit Summit	Street Light	6/1/1997 6/1/2007	Seasonal Light: \$24.14 per month for 400HPSF Municipal Ownership: \$3.07 for 150 watt incandescent light Contract period of 10 years.	D

MUNICIPAL CONTRACT

1. THIS AGREEMENT, made this 1st day of June, 1997, by and between the Otter Tail Power Company, a Minnesota corporation, hereinafter called Otter Tail, and the City of Summit, South Dakota hereinafter called the Municipality, WITNESSETH:

2. That, in consideration of the payments to be made and the mutual covenants herein contained and subject to the terms and conditions of this contract, Otter Tail agrees to supply all municipal electric services to the Municipality, and the Municipality agrees to take and use the services and all electric energy requested therefore, and to pay the rates and charges for Street Lighting, Municipal Pumping and Fire Sirens, all as hereinafter specifically set forth for a term of (10) ten years with the effective date of the term to be June 1, 1997

3. The rates to be charged for municipal electric service shall be Otter Tail's standard rates as determined by its standard rate schedule as specifically filed with and approved by the Public Utilities Commission for Streetlighting, Municipal Pumping and Fire Sirens and which are in effect at the execution of this agreement.

4. Otter Tail is subject to the jurisdiction of the Public Utilities Commission and when required by the Commission's rules and regulations, may submit this contract for review and approval.

STREET LIGHTING

5. Otter Tail agrees to own and operate a streetlighting system in the Municipality, consisting of supply circuits, control circuits, controls and brackets and fixtures as provided in this contract.

6. The Municipality shall have the right to erect, operate, and maintain at its own expense a white way system and/or main streetlighting system, ready for connection to Otter Tail's supply source.

Otter Tail shall supply any necessary meters, time switches or photoelectric control equipment, and make the final connection to its supply system. Otter Tail shall supply the necessary electric energy to light such system.

7. On the date that this contract goes into effect, the residential, white way and main streetlighting installation shall consist of the following:

(a) OWNED BY OTTER TAIL				
Number of Luminaires	Luminaire Designation	Lumen Classification	Lamp Renewals By	Monthly Charge Each
(1) 41	MV6	6000	OTP	\$ 6.30
(2) 16	HPS 14	14000	OTP	10.60
(3) 2	400 MAF	30000	OTP	16.70
1	400 HPSF	44000 (seasonal)	OTP	24.14
(b) OWNED BY MUNICIPALITY				
(4) 1	Incandescent		OTP	3.07

- (1) Previous rate - MV6 \$6.25 per light (40) \$6.30 per light (1)
- (2) Previous rate - HPS14 \$10.40 per light
- (3) Previous rate - 400 MAF \$16.45 per light
- (4) Previous rate - incandescent \$2.63 per light

8. The total number of fixtures shall not be reduced to less than sixty percent of the total as stated in Paragraph 7 above, except by mutual consent of the parties.

9. Fixtures installed after the date of this contract shall be billed at the schedule of rates in effect at the time of installation.

MUNICIPAL PUMPING

10. Otter Tail agrees to furnish electric power and energy to operate the pumps for the Municipality's present water supply system and present sewage system, and such additions to these systems as may be mutually agreed upon, in accordance with the terms and conditions as set forth in this contract.

11. Electric energy used for lighting, heating, power tools and other uses necessary for the normal operation of these systems, on approval of Otter Tail, may be included. Any necessary meters shall be installed by and at the expense of Otter Tail. The Municipality agrees to provide a suitable location for meters to be installed on its premises.

12. The Municipality will pay for all electric energy used for municipal pumping and incidental uses as described in Paragraph 10 and 11 above, at the following rate which will apply at each delivery point:

- (a) First 2500 kWh per month at 6.232¢ per kWh
Next 1500 kWh per month at 4.584¢ per kWh
Over 4000 kWh per month at 3.646¢ per kWh
- (b) Monthly Minimum Charge - \$3.60 for each delivery point (also applies where energy is seasonal)
- (c) Cost of Energy Adjustment - The energy charges under the above municipal pumping schedule are subject to adjustment for increases or decreases in Otter Tail's average cost for delivering energy to its customers.

The "Cost of Energy Adjustment," as it applies to Otter Tail's retail rate schedules, is subject to revision upon the approval of the appropriate regulatory agency. In the event the "Cost of Energy Adjustment" is revised, the above municipal pumping rate shall be changed to reflect a portion of the "Cost of Energy Adjustment" as a permanent part of each price step of the rate. The billing for municipal pumping will be the same under the price step change as it would have been prior to the revision in the "Cost of Energy Adjustment"; however, the billing will also continue to reflect the most current "Cost of Energy Adjustment."

FIRE SIRENS

13. The Municipality operates a fire siren of 10 H.P. served and metered as indicated below (check one):

If served through a metered circuit to another load of the Municipality, the Municipality will pay for this service as a part of the load of said metered circuit and at the standard rate applied to said metered circuit. The above fire siren is metered on the Fire Hall meter. A/C 9783

If the siren is served separately, the Municipality will pay a charge at the rate of 60¢ per connected H.P. per month. Billing includes any kWh used.

GENERAL PROVISIONS

14. Otter Tail shall use due diligence and care in maintaining service, but shall not be liable for loss or damage arising from failure, either partial or total, of the service from any cause but this shall not be construed to exempt Otter Tail from liability for negligence.

15. In case a meter fails to properly record the energy used, an equitable estimate will be made for the energy used during the period in question and shall be based on the best information available.

16. All previous agreements, if any, between the parties hereto, covering the subject matter hereof, are hereby cancelled and terminated as of the effective date specified in Paragraph 2 of this agreement, except as specifically provided in this contract.

17. IN WITNESS WHEREOF, the respective parties hereto have caused this agreement to be executed by their proper officers thereunto duly authorized, and the same shall be equally binding upon the respective parties and each of their successors and assigns.

OTTER TAIL POWER COMPANY

In Presence of:

Penny Mosher

By Nay W. Myrte
Corporate Secretary

MUNICIPALITY

In Presence of:

City of Summit

Mark Hopewell by Khala

By David B. Bynum

Mark Hopewell by Khala

By XORI O'Jarell

(Municipal Seal)