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January 14, 2026

Ms. Leah Mohr
Executive Director
South Dakota Public Utilities Commission
Capitol Building, 1st floor
500 East Capitol Avenue
Pierre, SD 57501-5070

**RE: In the Matter of Application of Otter Tail Power Company for
Authority to Increase Rates for Electric Service in South Dakota
Docket No. EL25-022
Settlement in Principle Letter**

Dear Ms. Mohr:

This correspondence is to advise the Commission that the undersigned parties, by and through their respective counsel, have agreed in principle on the terms and conditions of a settlement agreement which, subject to Commission approval, would resolve all issues in the above matter. For this reason, the Commission Staff will not file Direct Testimony, due January 20 under the procedural schedule.

The parties intend to file a motion by mid-February asking the Commission to approve the settlement agreement. If approved, it will not be necessary to hold the hearing on this matter currently scheduled for February 24-26, 2026, in Pierre.

Please contact me at 218-739-8774 or ldonofrio@otpc.com if you have any questions regarding this filing.

OTTER TAIL POWER COMPANY
By: /s/ Lauren Donofrio
Name: Lauren Donofrio
Title: Senior Associate General Counsel

SD PUBLIC UTILITIES COMMISSION
By: /s/ Jennie L Fuerst
Name: Jennie L Fuerst
Title: SD PUC Staff Attorney

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By electronic filing