

**STATE OF SOUTH DAKOTA
PUBLIC UTILITIES COMMISSION**

In the Matter of the Application of)
Otter Tail Power Company for)
Authority to Increase Rates for)
Electric Service in South Dakota)

Case No. EL25-_____

NOTICE OF PROPOSED CHANGE OF RATES AND CHARGES

NOTICE IS HEREBY GIVEN that on June 4, 2025, Otter Tail Power Company (OTP or the Company) has filed an Application with the South Dakota Public Utilities Commission (Commission) for an increase in its electric rates and other tariff changes for service to its South Dakota electric customers. The last time the Company's base electric rates were increased in South Dakota was August 2019.

The Company is seeking a net revenue increase of \$5,719,671, or 12.5 percent, based on a 2024 Test Year with known and measurable changes and other appropriate adjustments. The proposed change in rates will result in an average increase of \$14 per month for residential customers under the rate design proposed by the Company. As part of this request, the Company proposes to recover in base rates certain capital costs currently recovered through the Company's Transmission Cost Recovery (TCR) Rider and Phase-In Rider (PIR). To facilitate the transition from rider to base rate recovery, OTP proposes to discontinue certain cost recovery through the TCR and PIR when requested rates go into effect. The proposed increase to base rate revenue (including the transition of rider recoveries to base rates) is \$13,650,823, or 46.3 percent. The Company proposes that the change in rates be effective upon the earlier of: (i) the Commission's final disposition of the Company's Application or (ii) 180 days from the filing of the Application pending the Commission's final decision (subject to refund).

This notice was included as part of the Company's Application to the Commission. Under South Dakota law, you have a right to join with 24 other customers in OTP's South Dakota service area to file a written objection to this proposed rate increase, and you may request the Commission suspend the rate increase and hold a public hearing to determine whether such rate increase should be allowed.

The Application, including the proposed rates and changes and supporting testimony and schedules, is available by request by contacting our Customer Service Center at 800-257-4044 or placing an inquiry on our website at www.otpc.com. The increase in rates is needed for the Company to recover increases in operating costs incurred by the Company in providing electric service to its customers and on-going investments in infrastructure. This increase is necessary to continue to serve customers as reliably, economically, and environmentally responsibly as possible. If you have any questions regarding the Company's Application, please contact OTP's Area Manager for South Dakota, Mr. Scott Wiese.

Otter Tail Power Company

By /s/ STUART D. TOMMERDAHL
Stuart D. Tommerdahl
Manager, Regulation and
Retail Energy Solutions

Date: June 4, 2025