

**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)

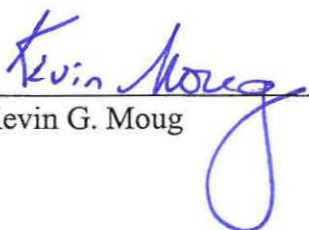
Case No. EL10-_____

**STATEMENT AND AFFIDAVIT OF KEVIN G. MOUG
CHIEF ACCOUNTING OFFICER**

To the South Dakota Public Utilities Commission:

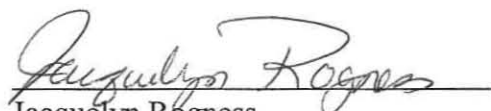
Kevin Moug, being first duly sworn on oath, deposes and states that:

1. I am the Chief Financial Officer for Otter Tail Corporation, the parent company of the Applicant Otter Tail Power Company (the "Company") for an increase in its electric service rates in South Dakota.
2. The cost statements, working papers, and other supporting data submitted as a part of this filing or maintained by the Company in support of the filing, which purport to reflect the books of the Company do, in fact, set forth the results shown by the books.



Kevin G. Moug

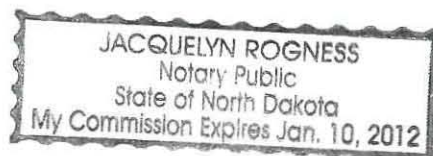
SWORN TO BEFORE ME this
12th day of August, 2010.



Jacquelyn Rogness

NOTARY PUBLIC
State of North Dakota

My Commission expires _____



Notice of proposed increase in electric rates

Otter Tail Power Company wants you to have as much information as possible about your electric rates so you can make wise choices regarding your energy use. On August 20, 2010, we asked the South Dakota Public Utilities Commission for permission to increase our electric rates by \$2,755,954, or about 9.96 percent, overall. This does not mean that all customers will see a 9.96 percent increase. The amount of change in each customer's monthly bill will vary based on their electric service rates and electricity use.

An average residential customer using 935 kwh of electricity a month would see an increase of \$9.68 a month over 2009. An average commercial customer using 2,415 kwh of electricity a month would see an increase of \$15.13 a month over 2009.

Otter Tail Power Company's last rate increase in South Dakota was July 1, 2009. We are requesting this increase to recover additional rate base investments (including the addition of the Luverne Wind Farm) and associated depreciation expense, Big Stone II development costs, and significant increases in operating costs incurred by our company in providing electric service to our customers. This increase is necessary as we continue to meet the growing demand for electricity and serve customers as reliably, economically, and environmentally responsibly as possible.

For more information

You can view the rate case filing at our Milbank, Morris, Oakes, and Wahpeton Customer Service Centers, on the Otter Tail Power Company web site <http://www.otpc.com>, and on the Commission web site <http://puc.sd.gov/>. If you have additional questions, please contact Otter Tail Power Company Customer Service at 800-257-4044. You also may contact the Commission staff at 605-773-3201 or pucconsumerinfo@state.sd.us if you have concerns.

Under South Dakota law, you have the right to join with 24 other customers in Otter Tail Power Company'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 a rate increase should be allowed.

We appreciate being your electric service provider, and we promise to remain diligent about finding the most efficient, responsible, and cost-effective ways to serve you, as we have for more than 100 years.