News release

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Otter Tail Power Company requests rate review in North Dakota

Fergus Falls, MN, November 2, 2023: Otter Tail Power Company filed a request with the North Dakota Public Service Commission (PSC) to increase its electric rates. The filing starts a nearly year-long process, often referred to as a rate case. During this time the PSC reviews costs the company incurs to provide customers with energy and related services and then determines appropriate prices. This independent, public process helps ensure transparency and fair rates for all customers.

Rising costs primarily drive request

The company last filed for a base rate increase in North Dakota in 2017. This request is a result of increased costs to maintain a safe and reliable system while meeting growing electricity demand. Changes in the company's customer mix also contribute to the timing of its request.

"We recognize our customers' costs have gone up in many parts of their lives," said Otter Tail Power President Tim Rogelstad. "While we've successfully managed expenses and continue to choose low-cost options to meet our customers' needs, the cost of providing service is more than we can recover through our current base rates. Reviewing and updating our rates through rate cases allows us to continue to cost-effectively provide the reliable electricity our customers depend on."

Otter Tail Power requested permission for an increase to rates of approximately $40.6 million. A portion of this amount, $23.3 million, is already being billed to customers via riders, which allow utilities to recover certain costs between rate cases. If the PSC approves the overall request as filed, the net increase to customers would be 8.43 percent.

Interim rates likely effective January 1

While the PSC considers Otter Tail Power's overall request, the company asked to increase rates by a net of $12.4 million on an interim basis beginning January 1, 2024. If the PSC approves the interim rate increase, the net interim rate increase for customers would be 6.03 percent and interim rates would likely remain in effect until late 2024.

If final rates are lower than interim rates, the company would refund customers the difference with interest. If final rates are higher than interim rates, the company would not collect the difference. Customers will receive information with their electric service statements in January showing the example interim monthly bill impacts for various customer types.

The PSC will hold public hearings related to the request and post the hearing schedule at **psc.nd.gov**.

Interim rate information, the PSC hearing schedule, and updates related to the company's request will be available online at **otpco.com/NDRateCase**.

Programs help customers save energy and money

Otter Tail Power encourages customers to proactively save energy and money by:

- Unplugging any electronics that aren't in use, such as gaming consoles, TVs, and home office equipment.
- Making low-cost and no-cost changes to reduce energy consumption, such as switching to LED lightbulbs.
- Participating in programs that make use of lower off-peak rates, such as thermal storage and water heating.

"We'll continue providing options to help customers manage their energy use while we work to manage the increasing costs of energy supply," said Rogelstad. "We also offer payment arrangements and information on energy assistance programs for customers in need."

Customers can find options to reduce their electricity costs and information on payment assistance at otpco.com or by calling Otter Tail Power at 800-257-4044.

This news release is available on our website at otpco.com/NewsRoom.

Otter Tail Power Company, a subsidiary of Otter Tail Corporation (Nasdaq Global Select Market: OTTR), is headquartered in Fergus Falls, Minnesota. With a balanced commitment to environmental, economic, and community stewardship, the company provides electricity and energy services to approximately 133,000 customers in Minnesota, North Dakota, and South Dakota. To learn more about Otter Tail Power Company visit otpco.com. To learn more about Otter Tail Corporation visit ottertail.com.

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