NEWS RELEASE

Otter Tail Power Company Completes Rate Review in North Dakota

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FERGUS FALLS, Minn.--(BUSINESS WIRE)-- On December 30th , the North Dakota Public Service Commission (PSC) approved a $13.1 million net increase to Otter Tail Power Company's, a wholly-owned subsidiary of Otter Tail Corporation (Nasdaq: OTTR), electric service rates.

While overall costs of living have increased since the company's last North Dakota rate review, filed in 2017, this average net increase of 6.18 percent keeps the company's electric service rates among the lowest in the nation. "We're committed to providing reliable, cost-effective electricity for our customers," said Otter Tail Power President Tim Rogelstad. "And because interim rates closely match final approved rates, customers won't see a significant bill impact when we implement final rates."

Otter Tail Power filed its original request for a rate review on November 2, 2023. In the initial filing, the company increased rates for North Dakota customers on an interim basis beginning January 1, 2024. Otter Tail Power will propose to implement approved rates approximately 120 days after the PSC final order becomes effective, likely in the first quarter of 2025.

The PSC set Otter Tail Power's return on equity at 10.10 percent, which is an increase from the 9.77 percent return approved in the last rate review. If Otter Tail Power earns an annual return on equity above 10.20 percent, the company will return 70 percent of those additional earnings to customers. "We appreciate the Commissioners' recognition of the increased costs associated with safely and reliably serving our customers," said Rogelstad. "Our employees continue to focus on operational excellence, working to keep costs as low as possible. We'll also continue providing options to help customers manage their energy use."

Forward-Looking Statements

Except for historical information contained here, the statements in this release are forward-looking and made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. The words “anticipate,” “believe,” “can,” “could,” “estimate,” “expect,” “future,” “goal,” “intend,” “likely,” “may,” “outlook,” “plan,” “possible,” “potential,” “predict,” “probable,” “projected,” “should,” “target,” “will,” “would” and similar words and expressions are intended to identify forward-looking statements. Such statements are based upon the current beliefs and expectations of management. Forward-looking statements made herein, which may include statements regarding 2024 earnings and earnings per share, long-term earnings, earnings per share growth and earnings mix, anticipated levels of energy generation from renewable resources, anticipated reductions in carbon dioxide emissions, future investments and capital expenditures, rate base levels and rate base growth, future raw materials costs, future raw materials availability and supply constraints, future operating revenues and operating results, and expectations regarding regulatory proceedings, as well as other assumptions and statements, involve known and unknown risks and uncertainties that may cause our actual results in current or future periods to differ materially from the forecasted assumptions and expected results. The Company’s risks and uncertainties include, among other things, uncertainty of future investments and capital expenditures; rate base levels and rate base growth; risks associated with energy markets; the availability and pricing of resource materials; inflationary cost pressures; attracting and maintaining a qualified and stable workforce; changing macroeconomic and industry conditions that impact the demand for our products, pricing and margin; long-term investment risk; seasonal weather patterns and extreme weather events; counterparty credit risk; future business volumes with key customers; reductions in our credit ratings; our ability to access capital markets on favorable terms; assumptions and costs relating to funding our employee benefit plans; our subsidiaries’ ability to make dividend payments; cybersecurity threats or data breaches; the impact of government legislation and regulation including foreign trade policy and environmental; health and safety laws and regulations; changes in tax laws and regulations; the impact of climate change including compliance with legislative and regulatory changes to address climate change; expectations regarding regulatory proceedings, including state utility commission approval of resource plans, assigned service areas, the siting and construction of major facilities, capital structure, and allowed customer rates; actual and threatened claims or litigation; and operational and economic risks associated with our electric generating and manufacturing facilities. These and other risks are more fully described in our filings with the Securities and Exchange Commission, including our most recently filed Annual Report on Form 10-K, as updated in subsequently filed Quarterly Reports on Form 10-Q, as applicable. Forward-looking statements speak only as of the date they are made, and we expressly disclaim any obligation to update any forward-looking information.

About the Corporation

Otter Tail Corporation, a member of the S&P SmallCap 600 Index, has interests in diversified operations that

include an electric utility and manufacturing businesses. Otter Tail Corporation stock trades on the Nasdaq Global Select Market under the symbol OTTR. The latest investor and corporate information is available at **www.ottertail.com**. Corporate offices are in Fergus Falls, Minnesota, and Fargo, North Dakota.

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Source: Otter Tail Corporation