

The big picture

It's about balance.

Our commitment to you weaves our **environmental, economic, and community** stewardship throughout our region. With hometown understanding of the people and places we serve, we carefully balance each decision we make with the impact it has on our friends and neighbors.

Mixing it up



Reliable, affordable, environmentally responsible energy requires a mix of resources. Today nearly 20 percent of our energy comes from renewables, which we have incorporated as lowest-cost resources. We also plan to retire Hoot Lake Plant as a coal-fired facility in 2020 and replace it with natural gas generation.

Keeping rates low

Rate (¢/kWh)	OTPC	State Average
Minnesota	4.75	11.57
North Dakota	3.23	10.33
South Dakota	8.62	11.57
OTPC	4.20	8.62

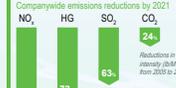
Investing in new technology and infrastructure helps us to continue providing low-cost electricity. Our average residential rate is 33 percent lower than the national average.

Avoiding unnecessary costs

\$XXk in 2014

Our Minnesota and South Dakota energy-efficiency programs not only reduce overall energy consumption, they also keep costs low. When we produce less energy, we avoid building more infrastructure. That means less cost to customers.

Promoting clean air and water



We continue to reduce air emissions with state-of-the-art technologies. Our company's largest project to date is the construction of an air-quality control system at Big Stone Plant, which will reduce emissions by 80 to 90 percent.

Giving back

\$572,000+ in charitable contributions in 2014

As part of our company's culture of giving employees donated an additional \$28,000 to local charities and programs 2014.

Investing in positive change

32% Net investment

32 percent of our net investment is in renewable resources, environmental upgrades, and transmission improvements.

Driving efficiency



Net plant heat rate (NPHR) measures the amount of energy it takes to produce one kilowatt-hour of electricity. In the last 30 years we've reduced overall NPHR by 20% even as we've increased generation by 45%!

Partnering with customers

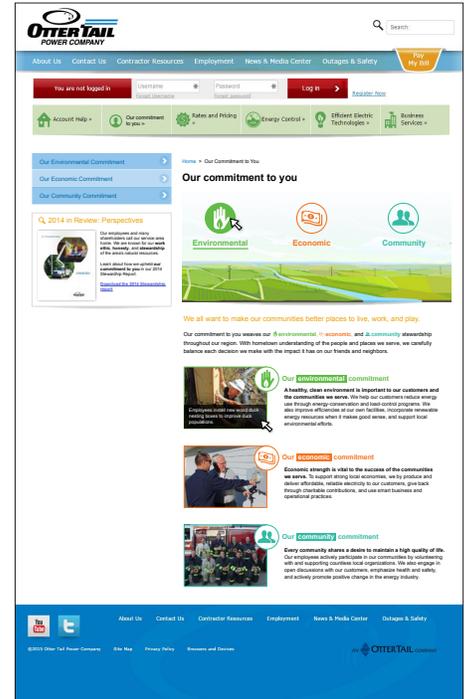


Our legacy of partnering with customers to reduce energy use during peak times started with electric water heaters in the 1940s. Today demand-side management (DSM) allows us to shave 130 MW off our peak winter load and 25 MW off our peak summer load.

Creating jobs

+ 25,200 jobs added or saved over the past 25 years

We also support the health and vitality of local vendors. In 2014 we paid more than \$200,000,000 to tri-state vendors.



PROJECT DETAILS

Project Completion:
Spring 2015

Reference:

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Project Highlights:

- Facilitated strategy workshops
- Generated a technical lead's input survey
- Researched and presented industry environmental messaging trends
- Crafted the "Our Commitment to You" message
- Designed a Board of Directors handout
- Created a communication plan for new message rollout
- Developed website mock-ups to message integration on company website

Environmental Commitment Messaging and Branding

Otter Tail Power Company

Fergus Falls, Minnesota

Fall 2014 launched Otter Tail Power Company's collaborative process, consisting of guidance from company leadership, an internal company communication team, company technical leads, and partners with technical and industry knowledge, including HDR. Instead of creating new stories, the goal was to refresh and bring to life the current environmental commitment story.

In partnership with Otter Tail Power Company's Communication Team, HDR designed and executed a strategy to allow participants to provide input through an online technical survey, in-person workshops, conference calls, and industry research, to generate a strong, yet authentic environmental commitment message. The message is aimed to bring life to the existing stories and provide a framework to continue to share Otter Tail Power Company's environmental commitment with various key audiences over the next several years.

HDR developed an "Our Commitment to You" campaign package including an executive summary, Board of Directors handout, communication plan, and revised website content.

According to Otter Tail Power Company's leadership, a successful process involved crafting a concise and consistent message illustrating Otter Tail Power Company's environmental commitment and speaking to diverse audiences, including customers, regulators, employees, and the media. The Otter Tail Power Company Communication Team and HDR believe this will be successful through the integration of the "Our Commitment to You" message and communication approach.