

215 South Cascade Street  
PO Box 496  
Fergus Falls, Minnesota 56538-0496  
218 739-8200  
[www.otpco.com](http://www.otpco.com) (web site)

June 30, 2016



Mr. Daniel P. Wolf  
Executive Secretary  
Minnesota Public Utilities Commission  
121 7<sup>th</sup> Place East  
Suite 350  
St. Paul, MN 55101-2147

**RE: Reply Comments of Otter Tail Power Company  
Docket No. E017/PA-16-441**

Dear Mr. Wolf:

Pursuant to Minnesota Rules § 7829.1400, subp. 4, Otter Tail Power Company files these reply comments in response to the June 20, 2016 initial comments of the Minnesota Department of Commerce Division of Energy Resources.

Thank you for your attention to this matter. Please feel free to contact me if you have any questions.

Very truly yours,

*/s/MARK B. BRING*  
Mark B. Bring  
Associate General Counsel  
MBB:wjs

wjs  
Enclosures  
By electronic filing  
c: Service List

## CERTIFICATE OF SERVICE

**RE: In the Matter of Otter Tail Power Company's Petition for Approval of a  
Transfer of Property  
Docket No. E017/PA-16-441**

I, Wendy Stoll, hereby certify that I have this day served a copy of the following on Daniel P. Wolf and Sharon Ferguson by e-filing, and to all other persons on the attached service list by electronic service or by First Class Mail.

**Otter Tail Power Company  
Reply Comments**

Dated this **30th** day of **June, 2016**

/s/ WENDYSTOLL

Wendy Stoll  
Regulatory Filings Coordinator  
Otter Tail Power Company  
215 South Cascade Street  
Fergus Falls MN 56537  
(218) 739-8268

**STATE OF MINNESOTA  
BEFORE THE  
MINNESOTA PUBLIC UTILITIES COMMISSION**

Beverly Jones Heydinger	Chair
Nancy Lange	Vice-Chair
Dan Lipschultz	Commissioner
Matt Schuenger	Commissioner
John Tuma	Commissioner

In the Matter of the Petition of  
Otter Tail Power Company  
for Approval of a Transfer  
of Property

Docket No. E017/PA-16-441

**REPLY COMMENTS IN RESPONSE  
TO INITIAL COMMENTS OF  
MINNESOTA DEPARTMENT OF  
COMMERCE DIVISION OF ENERGY  
RESOURCES**

**I. BACKGROUND**

On May 20, 2016, Otter Tail Power Company (Otter Tail) petitioned the Commission for approval to acquire from Northern States Power Company (NSP) approximately 3.5 miles of electric transmission facilities in Moody County, South Dakota, pursuant to Minnesota Statutes § 216B.50 and Minnesota Rules §§ 7825.1700 and 7825.1800. Otter Tail submitted that the proposed acquisition is consistent with the public interest, pursuant to subd. 1 of Minnesota Statutes § 216B.50, for the reasons set forth in the petition. Otter Tail requested that the Commission give its consent and approval by order in writing, upon investigation without public hearing.

On June 20, 2016, the Minnesota Department of Commerce Division of Energy Resources (Department) submitted initial comments, contending that Otter Tail had not provided sufficient information for the Commission to make a determination as to whether the proposed transaction is consistent with the public interest. Specifically, the Department contended that Otter Tail did not sufficiently address the requirements of Minnesota Rules § 7825.1800, subps. B (including Minnesota Rules § 7825.1400, subp. F, which is incorporated by reference therein) and C.

The information that the Department contended is necessary included the terms for payment, supporting documents of the cost estimate for conductor removal, and reasons for the proposed transaction (including a specific listing of the facilities, whether the facilities are currently being used by NSP, and why the transfer is necessary).

Absent submission of the required information, the Department recommended that the Commission deny Otter Tail's request, without prejudice. Pursuant to Minnesota Rules § 7829.1400, subp. 4, Otter Tail now files these reply comments, along with information that is responsive to the Department's initial comments.

## **II. INFORMATION SOUGHT BY DEPARTMENT IN CONNECTION WITH PUBLIC INTEREST DETERMINATION**

Otter Tail appreciates the Department's concerns. Otter Tail also appreciates the Department's receptivity to the submission of additional information that may be germane to the Commission's determination whether the proposed transaction is consistent with the public interest. Otter Tail will address, in turn, each item of information that the Department contends is necessary in order for the Commission's public interest determination.

### **A. Terms for Payment and Cost Estimate for Conductor Removal**

The terms of payment and other considerations for the proposed transfer of property were the subject of a December 22, 2015 Asset Purchase Agreement between NSP and Otter Tail, attached hereto as **Exhibit A**. The purchase price of the assets is to be based upon the net book amount of the transmission facilities (steel poles, conductor, shield wire, cross arms, foundation, etc.) as of the date of closing, less \$40,000.00, as set forth in Section 2.03 and Schedule 1.1 of the Asset Purchase Agreement. The transmission facilities to be purchased had an adjusted net book amount of \$503,681.42 at the end of October 2015. The purchase price is payable at closing. The easements associated with the transmission facilities will be assigned by NSP to Otter Tail.

Pursuant to Sections 3.02 and 7.02 of the Asset Purchase Agreement, regulatory approvals by the Commission and the Federal Energy Regulatory Commission are conditions precedent to

Otter Tail's purchase obligation. Under Section 4.01 of the Asset Purchase Agreement, closing is subject to the fulfillment of various conditions precedent (including Commission regulatory approval) and other duties and obligations of the parties. Additional terms and other considerations are as set forth in the Asset Purchase Agreement.

As indicated in the petition, the reduction of \$40,000.00 is to cover the cost for Otter Tail to remove NSP's de-energized conductor. Attached hereto as **Exhibit B** is an Otter Tail transmission engineer's December 21, 2015 estimate for removal of NSP's conductor. The estimate of \$41,569.30 is approximately equivalent to the purchase price credit of \$40,000 for removal of NSP's de-energized conductor.

### **B. Reasons for the Transaction**

A specific listing of the transmission facilities to be acquired is included in Attachment A-1 to Exhibit A of the Asset Purchase Agreement. The assets that Otter Tail is proposing to acquire are a part of NSP's Line 0727. The starting point of the facilities, structure 739, is located in the northeast quadrant of South Dakota Highway 34 and 473<sup>rd</sup> Avenue in Moody County, South Dakota. From this point, Line 0727 runs along the north side of Highway 34 approximately 3.5 miles to Structure 790, which is located four spans east of the intersection of Highway 34 and 476<sup>th</sup> Avenue. Structure 790 is the terminus of the facilities that Otter Tail proposes to acquire.

As indicated in the petition, the NSP conductor is de-energized and the facilities are not currently being used by NSP. However, Otter Tail's 41.6 kilovolt conductor is co-located on the NSP facilities, and Otter Tail's conductor is energized and in use by Otter Tail.

As Otter Tail represented in its petition, the purchase of NSP's facilities would allow Otter Tail to avoid the cost associated with acquiring new rights-of-way and building new facilities for Otter Tail's 41.6 kilovolt conductor. The purchase of NSP's facilities at a price of less than \$500,000 (adjusted net book amount will be lower at closing) would allow Otter Tail to avoid the cost associated with acquiring new rights-of-way and building approximately six to eight miles of new 41.6 kilovolt facilities at a cost of approximately \$250,000 to \$300,000 per mile (\$1.5 to \$2.4 million) through the same general area, rather than the approximately 3.5 miles of current facilities. Additional mileage would be necessary for new facility due to avoidance of wetland

areas. NSP's conductor is de-energized and the facilities are no longer in use by NSP. Consequently, the acquisition of the property is in the public interest.

### **III. CONCLUSION**

Otter Tail appreciates the opportunity to provide additional information that may be germane to the Commission's determination whether the proposed transaction is consistent with the public interest.

Otter Tail respectfully requests the Commission approve the proposed transaction as consistent with the public interest for the reasons set forth in Otter Tail's May 20, 2016 petition and these reply comments. Otter Tail further requests that the Commission give its consent and approval by order in writing, upon investigation without public hearing.

Dated: June 30, 2016

Respectfully Submitted,

### **OTTER TAIL POWER COMPANY**

By: /s/ MARK B. BRING  
Mark B. Bring  
Associate General Counsel  
Otter Tail Power Company  
215 South Cascade Street  
P. O. Box 496  
Fergus Falls, MN 56538-0496  
(218) 739-8922

**ASSET PURCHASE AGREEMENT**

**between**

**NORTHERN STATES POWER COMPANY,  
a Minnesota corporation**

**and**

**OTTER TAIL POWER COMPANY,  
a Minnesota corporation**

**dated as of**

December 22, 2015

**TABLE OF CONTENTS**

**RECITALS .....2**

**ARTICLE I DEFINITIONS .....2**

**ARTICLE II PURCHASE AND SALE .....4**

**ARTICLE III MUTUAL CONDITIONS PRECEDENT TO THE PARTIES'  
OBLIGATIONS .....5**

**ARTICLE IV CLOSING .....6**

**ARTICLE V REPRESENTATIONS AND WARRANTIES OF NSPM.....7**

**ARTICLE VI REPRESENTATIONS AND WARRANTIES OF OTP.....10**

**ARTICLE VII PERFORMANCE PENDING CLOSING AND COVENANTS .....11**

**ARTICLE VIII INDEMNIFICATION.....12**

**ARTICLE IX PERFORMANCE FOLLOWING THE CLOSING DATE.....16**

**ARTICLE X TERMINATION .....17**

**ARTICLE XI MISCELLANEOUS.....18**

**EXHIBITS AND SCHEDULES .....23**



## ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (this "**Agreement**"), dated as of December 22, 2015, is entered into between **Northern States Power Company**, a Minnesota corporation ("**NSPM**") and **Otter Tail Power Company**, a Minnesota corporation ("**OTP**").

### RECITALS

WHEREAS, OTP is an electric utility engaged in the business of generating, transmitting, delivery and selling electric power and energy and related services in the States of Minnesota, North Dakota and South Dakota; and

WHEREAS, NSPM is an electric utility engaged in the business of, inter alia, generating, transmitting, and selling electric power and energy and related services in the States of Minnesota, North Dakota, and South Dakota; and

WHEREAS, NSPM wishes to sell and assign to OTP, and OTP wishes to purchase and assume from NSPM, the rights and obligations of NSPM to the Purchased Assets, as defined herein, subject to the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

### ARTICLE I DEFINITIONS

For purposes of this Agreement, the following capitalized terms not otherwise defined elsewhere in this Agreement shall have the meanings specified:

"**Applicable Laws**" means any and all laws, ordinances, constitutions, regulations, statutes, treaties, rules, codes, and Injunctions adopted, enacted, implemented, promulgated, issued, entered, or deemed applicable by or under the authority of any Governmental Body having jurisdiction over a specified Person or any of such Person's properties or assets.

"**FERC**" means the Federal Energy Regulatory Commission, or any successor regulatory authority.

"**Final Order**" means an action or decision of the Governmental Body as to which (i) no request for a stay is pending, no stay is in effect, and any deadline for filing

such request that may be designated by statute or regulation has passed, (ii) no petition for rehearing or reconsideration or application for review is pending and the time for the filing of such petition or application has passed, (iii) the Governmental Body does not have the action or decision under reconsideration on its own motion and the time within which it may effect such reconsideration has passed, and (iv) no judicial appeal is pending or in effect and any deadline for filing any such appeal that may be designated by statute or rule has passed.

**"Governmental Body"** means any Federal, state or local government, supranational governmental, regulatory or administrative authority, instrumentality, agency or commission, political subdivision, self-regulatory organization, or any court, tribunal or judicial or arbitral body or mediator.

**"Injunction"** means any and all writs, rulings, awards, directives, injunctions (whether temporary, preliminary or permanent), judgments, decrees or orders (whether executive, judicial or otherwise) adopted, enacted, implemented, promulgated, issued, entered or deemed applicable by or under the authority of any Governmental Body.

**"Material Adverse Effect"** or **"Material Adverse Change"** means, in connection with any Party, any event, change or effect that is materially adverse, individually or in the aggregate, to the condition (financial, operational, environmental, or otherwise), properties, assets, Liabilities, revenues, income, business, operations or results of operations of such Party, taken as a whole; provided, however, that the foregoing shall not be deemed to include any event, change or effect which arises with respect to (i) conditions of change that are primarily the result of the national economy whereby the effect or change is generally universal upon businesses as a whole or within an industry as a whole, or (ii) uniformly applied legislative or judicial Applicable Laws or Final Orders that have general applicability to business as a whole or an industry as a whole.

**"Ordinary Course of Business"** means an action taken by a Party only if such action is consistent with the past practices of such Party and is taken in the ordinary course of the normal day-to-day operations of such Party.

**"Permit"** or **"Permits"** means all right, title and interest in and to any permits, licenses, certificates, filings, authorizations, approvals, or other indicia of authority (and any pending applications for approval or renewal of a Permit), to own, construct, operate, sell, inventory, disburse or maintain any asset or conduct any business as issued by any Governmental Body.

**"Person"** means any individual, corporation (including any non-profit corporation), general, limited or limited liability partnership, limited liability company, joint venture, estate, trust, association, organization, or other entity or Governmental Body.

**"Proceeding"** means any suit, litigation, arbitration, hearing, audit, investigation, or other action (whether civil, criminal, administrative, or investigative) commenced,

brought, conducted, or heard by or before, or otherwise involving, any Governmental Body or arbitrator.

**"Tax"** or **"Taxes"** means any and all net income, gross income, gross revenue, gross receipts, net receipts, ad valorem, franchise, profits, transfer, sales, use, social security, employment, unemployment, disability, license, withholding, payroll, privilege, excise, value added, severance, stamp, occupation, property, customs, duties, real estate and/or other taxes, assessments, levies, fees or charges of any kind whatsoever imposed by any Governmental Body, together with any interest or penalty relating thereto.

**"Tax Return"** or **"Tax Returns"** means any return, declaration, report, claim for refund or information return or statement relating to Taxes, including, without limitation, any schedule or attachment thereto, any amendment thereof, and any estimated report or statement.

**"Third Party"** means a Person not a Party to this Agreement.

**"Threatened"** means any written demand or statement, or any other notice that would lead a reasonably prudent Person to conclude that a claim, Proceeding, dispute, action, or other matter will, with substantial certainty, be asserted, commenced, taken or otherwise pursued in the future; provided, however, that the foregoing definition specifically excludes any customer billing disputes that occur in the Ordinary Course of Business.

**"Trust Indenture"** means the trust indenture identified in **Exhibit D** attached hereto.

## ARTICLE II PURCHASE AND SALE

**Section 2.01 Purchase and Sale of Assets.** Subject to the terms and conditions set forth herein, NSPM shall sell, assign, transfer, convey and deliver to OTP, and OTP shall purchase from NSPM, all of NSPM's right, title and interest in: (i) the assets set forth in **Attachment A-1** to **Exhibit A** attached hereto (the "**Purchased Assets**"), free and clear of any mortgage, pledge, lien, charge, security interest, claim or other encumbrance ("**Encumbrance**"); and (ii) the easements necessary for the ownership, operation, maintenance and replacement of the Purchased Assets as set forth in **Exhibit B** attached hereto.

**Section 2.02 No Liabilities.** OTP shall not assume any liabilities or obligations of NSPM of any kind, whether known or unknown, contingent, matured or otherwise, whether currently existing or hereinafter created.

**Section 2.03 Purchase Price.** The aggregate purchase price for the Purchased Assets shall be based on the net book amount of the Purchased Assets, as of the date of closing, less Forty Thousand Dollars (\$40,000) (“**Purchase Price**”), as set forth in **Schedule 1.1** attached hereto. The Purchased Assets have an end of October, 2015, adjusted net book amount of \$503,681.42. OTP shall pay the Purchase Price to NSPM at the Closing (as defined in Section 4.01) in cash by wire transfer of immediately available funds in accordance with the wire transfer instructions set forth in **Schedule 1.2** attached hereto.

**Section 2.04 Allocation of Purchase Price.** NSPM and OTP agree to allocate the Purchase Price among the Purchased Assets for all purposes (including tax and financial accounting) as agreed by their respective accountants, negotiating in good faith on their behalf. OTP and NSPM shall file all tax returns (including amended returns and claims for refund) and information reports in a manner consistent with such allocation.

**Section 2.05 Withholding Tax.** OTP shall be entitled to deduct and withhold from the Purchase Price all taxes that OTP may be required to deduct and withhold under any applicable tax law. All such withheld amounts shall be treated as delivered to NSPM hereunder.

### **ARTICLE III**

#### **MUTUAL CONDITIONS PRECEDENT TO THE PARTIES' OBLIGATIONS**

Unless waived in writing by each Party, each and every obligation of a Party to be performed at or upon the Closing shall be subject to the satisfaction at or prior thereto of each and all of the following conditions precedent:

**Section 3.01 Proceedings.** There being no (i) Proceeding which has been brought, asserted, commenced, or Threatened against any Party by any Person involving or affecting in any way that Party's consummation of the transactions contemplated hereby, or (ii) Applicable Laws restraining or enjoining, or which may reasonably be expected to nullify or render ineffective, this Agreement or the consummation of the transactions contemplated hereby or which otherwise could reasonably be expected to have a Material Adverse Effect on the Purchased Assets.

**Section 3.02 Consents and Approvals.** OTP shall have received evidence, in form and substance reasonably satisfactory to the respective counsel for each respective Party, that all consents, waivers, releases, authorizations, approvals, licenses, certificates, Permits, and franchises of all Persons (including each and every Governmental Body) set forth in **Schedule 1.3** attached hereto have been obtained and are in full force and effect. All consents of a Governmental Body shall be by Final Order; provided, however, that if such Party waives the condition of Governmental Body consent by Final Order, the

Parties shall consider the Governmental Body consent without Final Order sufficient to proceed to Closing according to the other terms of this Agreement.

**Section 3.03 Accuracy of Representations and Warranties.** The representations and warranties made by each Party in this Agreement (as modified by the Schedules and any Supplement(s) not objected to by the other Party) shall be true and correct in all material respects at and as of the Closing with the same force and effect as though such representations and warranties had been made or given at and as of the Closing.

**Section 3.04 Compliance with Covenants and Agreements.** The Parties shall have performed and complied in all material respects with all of the covenants, agreements, and obligations under this Agreement which are to be performed or complied with by them at or prior to the Closing, all of which shall be reasonably satisfactory in form and substance to counsel for such Party.

**Section 3.05 No Material Adverse Effect or Change.** As of the Closing Date, nothing shall have occurred which, in the reasonable judgment of such Party could, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on the ownership and operation of the Purchased Assets.

**Section 3.06 Approval by Counsel.** All actions, Proceedings, instruments, and documents required of such Party to carry out the transaction contemplated by this Agreement or incidental thereto and all other related legal matters shall have been reasonably satisfactory to and approved by counsel for such Party, and such counsel shall have been furnished with such certified copies of actions and Proceedings and such other instruments and documents as they shall have reasonably requested.

**Section 3.07 Mortgage and Indenture Releases.** At Closing, NSPM shall provide OTP a covenant, substantially in the form set forth in **Exhibit C** attached hereto, to obtain a release of the Purchased Assets from the Trust Indenture within 120 days of the Closing Date, such release being substantially in the form set forth in **Exhibit D** attached hereto.

**Section 3.08 Condition of Assets.** As of the Closing Date, the Party shall be satisfied, in its reasonable judgment, that the condition of the Purchased Assets is consistent with the representation and warranties with respect to such assets set forth in Sections 5.05 and 6.05 of this Agreement.

## ARTICLE IV CLOSING

**Section 4.01 Closing.** Subject to the fulfillment or satisfaction of the various conditions precedent and other duties and obligations of the Parties set forth herein, the

closing of the transactions contemplated by this Agreement (the "Closing") shall take place no later than thirty (30) days after all of the conditions precedent, set forth in Article III, have been met (the "Closing Date"). The consummation of the transactions contemplated by this Agreement shall be deemed to occur at 12:01 a.m. on the Closing Date.

**Section 4.02 Closing Deliverables.**

- (a) At the Closing, NSPM shall deliver to OTP the following:
- (i) bill of sale in the form of **Exhibit A** attached hereto, duly executed by NSPM transferring the Purchased Assets to OTP; and
  - (ii) assignment of easements necessary for the ownership, operation, and maintenance of the Purchased Assets substantially in the form of **Exhibit B** attached hereto; and
  - (iii) a covenant to obtain a release of the Purchased Assets from the Trust Indenture substantially in the form of **Exhibit C** attached hereto; and
  - (iv) NSPM closing certificate substantially in form of **Exhibit E** attached hereto.
- (b) At the Closing, OTP shall deliver to NSPM the following:
- (i) the Purchase Price as set forth in **Schedule 1.1** attached hereto, to be paid by wire in immediately available funds in accordance with the wire transfer instructions set forth in **Schedule 1.2** attached hereto ; and
  - (ii) OTP closing certificate substantially in the form of **Exhibit F** attached hereto.

**ARTICLE V**  
**REPRESENTATIONS AND WARRANTIES OF NSPM**

**Section 5.01** NSPM represents and warrants to OTP that the statements contained in this Article V are true and correct as of the date hereof. For purposes of this Article, "NSPM's knowledge," "knowledge of NSPM" and any similar phrases shall mean the actual knowledge of any director or officer, management or staff employees of NSPM, after due inquiry.

**Section 5.02 Organization and Authority of NSPM; Enforceability.** NSPM is a corporation duly organized, validly existing and in good standing under the laws of the state of Minnesota. NSPM has full corporate power and authority to enter into this Agreement and the documents to be delivered hereunder, to carry out its obligations

hereunder and to consummate the transactions contemplated hereby. The execution, delivery and performance by NSPM of this Agreement and the documents to be delivered hereunder and the consummation of the transactions contemplated hereby have been duly authorized by all requisite corporate action on the part of NSPM. This Agreement and the documents to be delivered hereunder have been duly executed and delivered by NSPM, and (assuming due authorization, execution and delivery by OTP) this Agreement and the documents to be delivered hereunder constitute legal, valid and binding obligations of NSPM, enforceable against NSPM in accordance with their respective terms.

**Section 5.03 No Conflicts; Consents.** The execution, delivery and performance by NSPM of this Agreement and the documents to be delivered hereunder, and the consummation of the transactions contemplated hereby, do not and will not: (a) violate or conflict with the certificate of incorporation, by-laws or other organizational documents of NSPM; (b) violate or conflict with any judgment, order, decree, statute, law, ordinance, rule or regulation applicable to NSPM or the Purchased Assets; (c) conflict with, or result in (with or without notice or lapse of time or both) any violation of, or default under, or give rise to a right of termination, acceleration or modification of any obligation or loss of any benefit under any contract or other instrument to which NSPM is a party or to which any of the Purchased Assets are subject; or (d) result in the creation or imposition of any Encumbrance on the Purchased Assets. Except as set forth in the Exhibits and Schedules attached hereto, no consent, approval, waiver or authorization is required to be obtained by NSPM from any person or entity (including any Governmental Body) in connection with the execution, delivery and performance by NSPM of this Agreement and the consummation of the transactions contemplated hereby.

**Section 5.04 Clear Title to Purchased Assets.** NSPM owns and has good title to the Purchased Assets, free and clear of Encumbrances, except for the lien of the Trust Indenture.

**Section 5.05 Condition of Assets.** To NSPM's knowledge, the Purchased Assets are in good condition and are adequate for the uses to which they are being put, and none of such Purchased Assets are in need of maintenance or repairs except for ordinary, routine maintenance and repairs that are not material in nature or cost.

**Section 5.06 Operating Contracts.** Except with respect to contracts that have been fully performed or terminated as of the Closing Date hereof and have no further force or effect, NSPM is not a party to any oral or written contract with respect to the operation of the Purchased Assets, and the Purchased Assets are not subject to any such operating contract.

**Section 5.07 Permits.** The Purchased Assets are not subject to any permits, licenses, franchises, approvals, authorizations, registrations, certificates, variances, or similar rights obtained from a Governmental Body.

**Section 5.08 Real Property Interests.** With respect to the easements transferred by NSPM to OTP for the ownership, operation, maintenance, and replacement of the Purchased Assets ("Real Property Interests"), (i) there is no deferred real or personal property Tax or assessment with respect to the Real Property Interests which may or will become due and payable as a result of the consummation of the transaction hereunder, and (ii) there is no condemnation Proceeding pending or, to NSPM's knowledge, Threatened with respect to all or any part of such Real Property Interests.

**Section 5.09 Compliance With Laws.** NSPM has complied, and is now complying, with all applicable federal, state and local laws and regulations applicable to ownership and use of the Purchased Assets.

**Section 5.10 Legal Proceedings.** There is no claim, action, suit, proceeding or governmental investigation ("Action") of any nature pending or, to NSPM's knowledge, threatened against or by NSPM (a) relating to or affecting the Purchased Assets; or (b) that challenges or seeks to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement. No event has occurred or circumstances exist that may give rise to, or serve as a basis for, any such Action.

**Section 5.11 Brokers.** No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of NSPM.

**Section 5.12 Insurance.** NSPM has maintained and will continue to maintain, until the Closing Date, insurance which covers the Purchased Assets against loss or damage by fire or other casualty. All such insurance is in full force and effect on the date of this Agreement and is carried with insurers licensed in the state affected by such policies.

**Section 5.13 Full Disclosure.** No representation or warranty by NSPM in this Agreement and no statement contained in the Exhibits or Schedules to this Agreement or any certificate or other document furnished or to be furnished to OTP pursuant to this Agreement contains any untrue statement of a material fact, or omits to state a material fact necessary to make the statements contained therein, in light of the circumstances in which they are made, not misleading.



## ARTICLE VI REPRESENTATIONS AND WARRANTIES OF OTP

**Section 6.01.** OTP represents and warrants to NSPM that the statements contained in this Article VI are true and correct as of the date hereof. For purposes of this Article, "OTP's knowledge," "knowledge of OTP" and any similar phrases shall mean the actual knowledge of any director or officer, or management and staff employees of OTP, after due inquiry.

**Section 6.02 Organization and Authority of OTP; Enforceability.** OTP is a corporation duly organized, validly existing and in good standing under the laws of the state of Minnesota. OTP has full corporate power and authority to enter into this Agreement and the documents to be delivered hereunder, to carry out its obligations hereunder and to consummate the transactions contemplated hereby. The execution, delivery and performance by OTP of this Agreement and the documents to be delivered hereunder and the consummation of the transactions contemplated hereby have been duly authorized by all requisite corporate action on the part of OTP. This Agreement and the documents to be delivered hereunder have been duly executed and delivered by OTP, and (assuming due authorization, execution and delivery by NSPM) this Agreement and the documents to be delivered hereunder constitute legal, valid and binding obligations of OTP enforceable against OTP in accordance with their respective terms.

**Section 6.03 No Conflicts; Consents.** The execution, delivery and performance by OTP of this Agreement and the documents to be delivered hereunder, and the consummation of the transactions contemplated hereby, do not and will not: (a) violate or conflict with the certificate of incorporation, by-laws or other organizational documents of OTP; or (b) violate or conflict with any judgment, order, decree, statute, law, ordinance, rule or regulation applicable to OTP. Except as set forth in the Exhibits and Schedules attached hereto, no consent, approval, waiver or authorization is required to be obtained by OTP from any person or entity (including any governmental authority) in connection with the execution, delivery and performance by OTP of this Agreement and the consummation of the transactions contemplated hereby.

**Section 6.04 Legal Proceedings.** There is no Action of any nature pending or, to OTP's knowledge, threatened against or by OTP that challenges or seeks to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement. No event has occurred or circumstances exist that may give rise to, or serve as a basis for, any such Action.

**Section 6.05 Condition of Assets.** NSPM made the Purchased Assets available for inspection prior to Closing, and to OTP's knowledge, the Purchased Assets are in

good condition and adequate for the uses to which they are being put, and none of the Purchased Assets are in need of maintenance or repairs except for ordinary, routine maintenance and repairs that are not material in nature or cost.

## ARTICLE VII PERFORMANCE PENDING CLOSING AND COVENANTS

NSPM and OTP covenant and agree that from and after the date of this Agreement and until the earlier of the Closing Date or the termination of this Agreement in accordance with Article 9 hereof:

**Section 7.01 Notification of Inaccuracy.** Each Party shall promptly notify the other Party in writing of any material inaccuracy made in this Agreement of which that Party becomes aware or otherwise has Knowledge prior to the Closing Date. The foregoing shall not limit the ability of the Parties to supplement the Schedules.

**Section 7.02 Regulatory Approval.** Upon execution of this Agreement, OTP shall promptly proceed to file or transmit, as applicable, all applications, consent requests and associated documentary material required by or necessary to obtain Minnesota Public Utilities Commission (“MPUC”) and FERC acceptance and approval of OTP’s acquisition of the Purchased Assets so as to satisfy this condition precedent to Closing.

**Section 7.03 Public Announcements.** Unless otherwise required by applicable law or stock exchange requirements, neither Party shall make any public announcements regarding this Agreement or the transactions contemplated hereby without the prior written consent of the other party (which consent shall not be unreasonably withheld or delayed).

**Section 7.04 Bulk Sales Laws.** The Parties hereby waive compliance with the provisions of any bulk sales, bulk transfer or similar laws of any jurisdiction that may otherwise be applicable with respect to the sale of any or all of the Purchased Assets to OTP.

**Section 7.05 Transfer Taxes.** All transfer, documentary, sales, use, stamp, registration, value added and other such taxes and fees (including any penalties and interest) incurred in connection with this Agreement and the documents to be delivered hereunder shall be borne and paid by OTP when due. OTP shall, at its own expense, timely file any tax return or other document with respect to such taxes or fees (and NSPM shall cooperate with respect thereto as necessary).

**Section 7.06 Further Assurances.** Following the Closing, each of the Parties hereto shall execute and deliver such additional documents, instruments, conveyances and assurances and take such further actions as may be reasonably required to carry out the provisions hereof and give effect to the transactions contemplated by this Agreement and the documents to be delivered hereunder.

## **ARTICLE VIII INDEMNIFICATION**

**Section 8.01 Survival.** All representations, warranties, covenants and agreements contained herein and all related rights to indemnification shall survive the Closing.

**Section 8.02 Indemnification.** Each Party ("**Indemnifying Party**") hereby covenants and agrees to indemnify, defend, and hold the other Party and its respective officers, directors, employees, affiliates, shareholders and agents, and each of their respective heirs, personal representatives, successors and assigns ("**Indemnified Party**") harmless from, against and in respect of any and all losses, costs, expenses (including without limitation, reasonable attorneys' fees and disbursements of counsel), liabilities, damages (excluding incidental, consequential, punitive and other indirect damages), fines, penalties, charges, assessments, judgments, settlements, claims, causes of action and other obligations of any nature whatsoever (individually, a "Loss" and collectively, "Losses") that any of them may at any time, directly or indirectly, suffer, sustain, incur or become subject to, to the extent arising out of, based upon or resulting from or on account of each of the following:

(a) the material breach or falsity of any representation or warranty made by the Indemnifying Party in this Agreement, the Exhibits and Schedules attached hereto, and any documents delivered hereunder; or

(b) the material breach of any covenant or agreement made by the Indemnifying Party in this Agreement, the Exhibits and Schedules attached hereto, and any documents delivered hereunder.

**Section 8.03 Procedure for Indemnification.** In the event the Indemnified Party intends to seek indemnification pursuant to the provisions of Section 8.02 of this Agreement, the Indemnified Party shall promptly give notice hereunder to the Indemnifying Party after obtaining written notice of any claim, investigation, or the service of a summons or other initial or continuing legal or administrative process or Proceeding in any action instituted against the Indemnified Party as to which recovery or other action may be sought against the Indemnifying Party because of the indemnification provided for in Sections 8.02 of this Agreement; and, if such indemnity shall arise from the claim of a Third Party, the Indemnified Party shall permit the Indemnifying Party to assume the defense of any such claim and any litigation resulting from such claim; provided, however, that the Indemnified Party shall not be required to permit such an

assumption of the defense of any claim or Proceeding which, if not first paid, discharged or otherwise complied with, would result in a material interruption or disruption of the business of the Indemnified Party, or any material part thereof. Notwithstanding the foregoing, the right to indemnification hereunder shall not be affected by any failure of the Indemnified Party to give such notice (or by delay by the Indemnified Party in giving such notice) unless, and then only to the extent that, the rights and remedies of the Indemnifying Party shall have been prejudiced as a result of the failure to give, or delay in giving, such notice. Failure by the Indemnifying Party to notify the Indemnified Party of its election to defend any such claim or action by a Third Party within twenty (20) days after notice thereof shall have been given to the Indemnifying Party shall be deemed a waiver by the Indemnifying Party of its right to defend such claim or action.

If the Indemnifying Party assumes the defense of any such Third Party claim, investigation or Proceeding, the obligations of the Indemnifying Party hereunder shall include taking all steps necessary in the defense or settlement of such claim, investigation or Proceeding and holding the Indemnified Party harmless from and against any and all Losses arising from, in connection with or incident to any settlement approved by the Indemnifying Party or any judgment entered in connection with such claim, investigation or Proceeding, except where, and only to the extent that, the Indemnifying Party has been prejudiced by the actions or omissions of the Indemnified Party. The Indemnifying Party shall not, in the defense of such claim or any Proceeding resulting therefrom, consent to entry of any judgment (other than a judgment of dismissal on the merits without costs) except with the written consent of the Indemnified Party (which consent shall not be unreasonably withheld, delayed or conditioned) or enter into any settlement (except with the written consent of the Indemnified Party, which consent shall not be unreasonably withheld, delayed or conditioned) unless (i) there is no finding or admission of any violation of Applicable Law and no material effect on any claims that could reasonably be expected to be made against the Indemnified Party, (ii) the sole relief provided is monetary damages that are paid in full for Losses, and (iii) the settlement shall include the giving by the claimant or the plaintiff to the Indemnified Party a release from all Liability in respect to such claim or litigation.

If the Indemnifying Party assumes the defense of such claim by a Third Party or litigation resulting therefrom, the Indemnified Party shall be entitled to participate in the defense of the claim, but solely by observation and comment to the Indemnifying Party, and the counsel selected by the Indemnified Party shall not appear on its behalf in any Proceeding arising hereunder. The Indemnified Party shall bear the fees and expenses of any additional counsel retained by it to participate in its defense unless any of the following shall apply: (i) the employment of such counsel shall have been authorized in writing by the Indemnifying Party, or (ii) the Indemnifying Party's legal counsel shall advise the Indemnifying Party in writing, with a copy to the Indemnified Party, that there is a conflict of interest that would make it inappropriate under applicable standards of professional conduct to have common counsel. If clause (i) or (ii) in the immediately preceding sentence is applicable, then the Indemnified Party may employ separate counsel at the expense of the Indemnifying Party to represent the Indemnified Party, but in no event shall the Indemnifying Party be obligated to pay the costs and expenses of

more than one such separate counsel for any one complaint, claim, action or Proceeding in any one jurisdiction.

If the Indemnifying Party does not assume the defense of any such claim by a Third Party or litigation resulting therefrom after receipt of notice from the Indemnified Party, the Indemnified Party may defend against such claim or litigation in such manner as it reasonably deems appropriate, and unless the Indemnifying Party shall deposit with the Indemnified Party a sum equivalent to the total amount demanded in such claim or litigation plus the Indemnified Party's estimate of the cost (including attorneys' fees) of defending the same, the Indemnified Party may settle such claim or Proceeding on such terms as it may reasonably deem appropriate and the Indemnifying Party shall, subject to its defenses, promptly reimburse the Indemnified Party for the amount of such settlement and for all reasonable costs (including attorneys' fees), expenses and damages incurred by the Indemnified Party in connection with the defense against or settlement of such claim, investigation or litigation, or if any such claim or litigation is not so settled, the Indemnifying Party shall, subject to its defenses, promptly reimburse the Indemnified Party for the amount of any final nonappealable judgment rendered with respect to any claim by a Third Party in such litigation and for all costs (including attorneys' fees), expenses and damage incurred by the Indemnified Party in connection with the defense against such claim or litigation, whether or not resulting from, arising out of, or incurred with respect to, the act of a Third Party.

Each Party shall cooperate in good faith and in all respects with each Indemnifying Party and its representatives (including without limitation its counsel) in the investigation, negotiation, settlement, trial, and/or defense of any Proceedings (and any appeal arising therefrom) or any claim. The Parties shall cooperate with each other in any notifications to and information requests of any insurers. No individual representative of any Person or their respective affiliates shall be personally liable for any Loss or Losses under this Agreement, except as specifically agreed to by said individual representative.

**Section 8.04 Effect of Insurance.** An Indemnified Party who has a right to make a claim under any policy of insurance with respect to an indemnified claim made by the Indemnified Party shall make such claim on a prompt and competent basis in the manner required by the insurance carrier. The Indemnified Party shall promptly and diligently pursue such claim and shall cooperate fully with the insurance carrier and the Indemnifying Party in the prosecution of the claim or claims. In the event an Indemnified Party receives insurance proceeds with respect to Losses for which the Indemnified Party has made an indemnification claim prior to the date on which the Indemnifying Party is required pursuant to this Article VIII to pay such indemnification claim, the indemnification claim shall be reduced by an amount equal to such insurance proceeds received by the Indemnified Party less all reasonable out-of-pocket costs incurred by the Indemnified Party in its pursuit of such insurance proceeds including reasonable attorney's fees. If such insurance proceeds are received by the Indemnified Party after the date on which the Indemnifying Party is required pursuant to this Article VIII to pay such

indemnification claim, the Indemnified Party shall, no later than five (5) days after the receipt of such insurance proceeds, reimburse the Indemnifying Party in an amount equal to such insurance proceeds (but in no event in an amount greater than the Losses theretofore paid to the Indemnified Party by the Indemnifying Party) less all reasonable out-of-pocket costs incurred by the Indemnified Party in obtaining such insurance proceeds including reasonable attorney's fees. In either case, the Indemnifying Party shall compensate the Indemnified Party for all costs incurred by the Indemnified Party subsequent to either the reduction of any indemnification claim as provided above, or the delivery of any such insurance proceeds to the Indemnifying Party as provided above, as the case may be, as a result of any such insurance, including retrospective premium adjustments, experience-based premium adjustments (whether retroactive or prospective) and indemnification or surety obligations of the Indemnified Party to any insurer. A claim for such costs shall be made by an Indemnified Party by delivery of a written notice to the Indemnifying Party requesting compensation and specifying this Section 8.05 as the basis on which compensation for such costs is sought, and the Indemnifying Party shall pay such costs no later than thirty (30) days after receiving the written notice requesting such compensation. Notwithstanding the foregoing, except to the extent set forth in the first two sentences of this Section 8.04, the Indemnified Party is not required to pursue a recovery from an insurer as a precondition to the Indemnifying Party's obligation to pay any indemnification claim as required by this Article VIII, and the Indemnifying Party shall not be entitled to delay any payment beyond the respective payment dates for any indemnification claims referred to in this Article VIII for the purpose of awaiting receipt of insurance proceeds or credits therefore as provided herein.

**Section 8.05** NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, EXCEPT AS EXPRESSLY PROVIDED IN SECTION 8.4, NO PARTY SHALL, UNDER ANY CIRCUMSTANCES, BE LIABLE TO ANY OTHER PARTY FOR LOST PROFITS, CONSEQUENTIAL, INCIDENTAL, SPECIAL PUNITIVE, OR INDIRECT DAMAGES ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREUNDER, EVEN IF THE PARTY HAS BEEN APPRISED OF THE LIKELIHOOD OF SUCH DAMAGES.

**Section 8.06 Limitations of Liability.**

(a) Non-Third Party Claims. IN NO EVENT SHALL ANY PARTY'S INDEMNIFICATION OBLIGATIONS PURSUANT TO THIS ARTICLE VIII WITH RESPECT TO LOSSES, OTHER THAN THOSE ARISING FROM THE CLAIMS OF THIRD PARTIES, EXCEED \$500,000.

(b) Third Party Claims. EACH PARTY'S INDEMNIFICATION OBLIGATIONS TO THE OTHER PARTY WITH RESPECT TO LOSSES ARISING FROM THE CLAIMS OF THIRD PARTIES SHALL NOT BE LIMITED.

**Section 8.07 Tax Treatment of Indemnification Payments.** All indemnification payments made by NSPM under this Agreement shall be treated by the

parties as an adjustment to the Purchase Price for tax purposes, unless otherwise required by law.

**Section 8.08 Effect of Investigation.** OTP's right to indemnification or other remedy based on the representations, warranties, covenants and agreements of NSPM contained herein will not be affected by any investigation conducted by OTP with respect to, or any knowledge acquired by OTP at any time, with respect to the accuracy or inaccuracy of or compliance with, any such representation, warranty, covenant or agreement.

**Section 8.09 Cumulative Remedies.** The rights and remedies provided in this Section are cumulative and are in addition to and not in substitution for any other rights and remedies available at law or in equity or otherwise.

## **ARTICLE IX PERFORMANCE FOLLOWING THE CLOSING DATE**

The following covenants and agreements are to be performed after the Closing by the Parties and shall continue in effect for the periods respectively indicated or, where no indication is made, until performed:

**Section 9.01 Further Acts and Assurances.** Each Party agrees that, at any time and from time to time, on and after the Closing Date, upon the reasonable request of the other Party, the Party will do or cause to be done all such further acts and things and execute, acknowledge, and deliver or cause to be executed, acknowledged, and delivered any and all papers, documents, instruments, agreements, assignments, transfers, assurances and conveyances as may be necessary or desirable to carry out and give effect to the provisions and intent of this Agreement. In addition, from and after the Closing Date, each Party will afford to the other Parties and their respective attorneys, engineers, accountants, and other representatives access during normal business hours to such books and records relating to the Purchased Assets as may reasonably be required in connection with the preparation of financial information, the filing of Tax Returns, and the operation and maintenance of such assets, and will cooperate in all reasonable respects in connection with claims and Proceeding asserted by or against Third Parties relating to or arising from the transactions contemplated hereby.

**Section 9.02 Mortgage Release.** After the Closing, NSPM shall promptly proceed to file or transmit, as applicable, all applications, consent requests and associated documentary material required by or necessary to obtain release of the Purchased Assets from the Trust Indenture so as to satisfy this condition subsequent to Closing.

**Section 9.03 Information Provided to MISO.** The Parties shall work together in good faith to inform MISO that NSPM has sold the Purchased Assets to OTP by:

providing revisions to the transmission owner facility lists on the MISO website and to the Agreement of Transmission Facilities Owners to Organize the Midwest Independent Transmission System Operator, Inc. ("MISO Agreement"); informing MISO operations and transmission planning representatives of the asset sale; inform MISO markets, rates, and settlement representatives of the asset sale; and supplying copies of the revised MISO Agreement documentation to MISO legal representatives.

**Section 9.04 OTP Operating and Maintenance Obligations.** Immediately upon the Closing, OTP agrees to assume the ownership, maintenance, repair, and operation of the Purchased Assets at its sole cost.

## ARTICLE X TERMINATION

**Section 10.1 Termination.** This Agreement may be terminated and the transactions contemplated herein may be abandoned after the date of this Agreement, but not later than the Closing:

- (a) by mutual written consent of the Parties hereto;
- (b) by any Party if any of the conditions provided for in Article III of this Agreement have not been met and have not been waived in writing by the Party seeking to terminate on or before the Closing Date.
- (c) by any Party if the Closing shall not have occurred on or before December 31, 2016; and
- (d) by a Party who objects to a Supplement pursuant to Section 11.08 of this Agreement.

In the event of termination or abandonment by any Party as provided in this Section 10.1, written notice shall forthwith be given to the other Party and, except as otherwise provided herein, each Party shall pay its own expenses incident to preparation or consummation of this Agreement and the transactions contemplated hereunder and no Party shall have any Liability to any other Party hereunder except such liability as may arise as a result of a breach hereof (which liability, for the avoidance of doubt, shall be subject to the limitations set forth in Section 7.5).

**Section 10.2 Return of Documents and Nondisclosure.** If this Agreement is terminated for any reason pursuant to Section 10.1 of this Agreement, each Party and its counsel shall return all documents and materials which shall have been furnished by or on behalf of the other Parties, and all copies thereof.



**ARTICLE XI  
MISCELLANEOUS**

**Section 11.01 Transactional Expenses.** All costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby (“**Transactional Expenses**”) shall be paid by the Party incurring such costs and expenses.

**Section 11.02 Notices.** All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by facsimile or e-mail of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next business day if sent after normal business hours of the recipient; or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective Parties at the following addresses (or at such other address for a Party as shall be specified in a notice given in accordance with this Section 11.02):

**If to NSPM:**

Manager, Transmission Business Relations  
Xcel Energy Services Inc.  
414 Nicollet Mall – (MP8)  
Minneapolis, MN 55401  
(612) 330-6773 or (800) 328-8226 – ext. 0

With a copy to:

Xcel Energy Services Inc.  
Legal Services  
414 Nicollet Mall, 8th Floor  
Minneapolis, MN 55401

**If to OTP:**

c/o Otter Tail Power company  
215 South Cascade Street  
Fergus Falls, MN 56537  
Attention: Dean Pawlowski

With a copy to:

c/o Otter Tail Power Company  
215 South Cascade Street  
Fergus Falls, MN 56537  
Attention: Legal Department

**Section 11.03 Headings.** The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

**Section 11.04 Severability.** If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.

**Section 11.05 Entire Agreement.** This Agreement and the documents to be delivered hereunder constitute the sole and entire agreement of the Parties to this Agreement with respect to the subject matter contained herein, and supersede all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter. In the event of any inconsistency between the statements in the body of this Agreement and the documents to be delivered hereunder, and the statements in the Exhibits the Exhibits and Schedules attached hereto (other than an exception expressly set forth as such in the Exhibit or Schedules), the statements in the body of this Agreement will control.

**Section 11.06 Successors and Assigns.** This Agreement shall be binding upon and shall inure to the benefit of the Parties hereto and their respective successors and permitted assigns. Neither Party may assign its rights or obligations hereunder without the prior written consent of the other Party, which consent shall not be unreasonably withheld or delayed. No assignment shall relieve the assigning Party of any of its obligations hereunder.

**Section 11.07 No Third-party Beneficiaries.** This Agreement is for the sole benefit of the Parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

**Section 11.08 Supplementation of Schedules.** A Party may elect to deliver a supplement ("Supplement") to one or more of the Schedules previously delivered to the other Party in accordance with the following procedures:

(a) Any and all Supplements must be in writing and must be delivered to the other Party before the date that is five business days prior to the scheduled Closing Date. The other Party shall be given the opportunity during the five business days following the

delivery of the proposed Supplement to consider that Supplement. If the recipient does not object to the contents of the Supplement within such period, the Schedule in question shall be deemed amended by the Supplement. If the recipient objects to a proposed Supplement, the sole remedy of such objecting party shall be termination of this Agreement in accordance Section 10.1 of this Agreement, provided that this limitation of remedies shall only apply if the Supplement was prepared in connection with or was made necessary by a change in circumstance of which the Party proposing the Supplement was unaware from the date of this Agreement to the date of the proposed Supplement; and

(b) Any and all Supplements within five business days prior to the scheduled Closing Date must be in writing and delivered to the other Party pursuant to Section 11.02 of this Agreement, and will only be deemed to amend a Schedule with the written consent of the recipient of the Supplement.

**Section 11.09 Amendment and Modification.** This Agreement may only be amended, modified or supplemented by an agreement in writing signed by each Party hereto.

**Section 11.10 Waiver.** No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. No waiver by a Party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

**Section 11.11 Governing Law.** This Agreement shall be governed by and construed in accordance with the internal laws of the State of Minnesota without giving effect to any choice or conflict of law provision or rule (whether of the State of Minnesota or any other jurisdiction).

**Section 11.12 Waiver of Jury Trial.** Each Party acknowledges and agrees that any controversy which may arise under this Agreement is likely to involve complicated and difficult issues and, therefore, each such Party irrevocably and unconditionally waives any right it may have to a trial by jury in respect of any legal action arising out of or relating to this Agreement or the transactions contemplated hereby.

**Section 11.13 Specific Performance.** The Parties agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms hereof and that the Parties shall be entitled to specific performance of the terms hereof, in addition to any other remedy to which they are entitled at law or in equity.

**Section 11.14 Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

NORTHERN STATES POWER  
COMPANY, a Minnesota  
corporation

By:   
Name: Ian R. Benson  
Title: **Director, Transmission Planning  
& Business Relations**

OTTER TAIL POWER COMPANY,  
a Minnesota corporation


By: \_\_\_\_\_  
Name:  
Title:

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

NORTHERN STATES POWER  
COMPANY, a Minnesota  
corporation

By: \_\_\_\_\_  
Name:  
Title:

OTTER TAIL POWER COMPANY,  
a Minnesota corporation

By:   
Name: Timothy Rogelstad  
Title: President

## **EXHIBITS AND SCHEDULES**

### **Exhibits**

- A. Bill of Sale for Purchased Assets
- B. Assignment of Easements for Purchased Assets
- C. Covenant to Obtain Release Purchased Assets from Trust Indenture
- D. Mortgage Release for Purchased Assets
- E. NSPM Closing Certificate
- F. OTP Closing Certificate

### **Schedules**

- 1.1 Purchase Price
- 1.2 Wire Transfer Instructions
- 1.3 Filings, Permits, Authorizations and Consents
- 1.4 Liens, Mortgages, and Encumbrances
- 1.5 Purchased Assets Information
- 1.6 List of Assigned Easements

**EXHIBIT A**

**BILL OF SALE FOR PURCHASED ASSETS**

FOR VALUABLE CONSIDERATION, the receipt and legal sufficiency of which is hereby acknowledged, Northern States Power Company, a Minnesota corporation, hereinafter referred to as “NSPM” does hereby sell, transfer and deliver to Otter Tail Power Company, a Minnesota corporation, hereinafter referred to as “OTP” all of NSPM’s right, title and interest in and to the following property described in Attachment A-1 to this Exhibit A, and located on the real property also described in Attachment A-1, hereinafter referred to as the “Personal Property.”

NSPM hereby warrants and represents to OTP that NSPM is the owner and holder of the Personal Property described in Attachment A-1 to this Exhibit A and that it has the right to sell, transfer and deliver said Personal Property to OTP and that it is free or, within a reasonable period of time following the date of this Bill of Sale, will be made free of any and all liens or security interests granted by NSPM to Trust Indenture.

THE PERSONAL PROPERTY COVERED BY THIS BILL OF SALE IS SOLD, TRANSFERRED AND DELIVERED “AS IS – WHERE IS” AND, EXCEPT AS OTHERWISE PROVIDED FOR IN THE AGREEMENT, NSPM MAKES NO WARRANTIES, EXPRESSED OR IMPLIED, RELATING THERETO AND HEREBY EXPRESSLY DISCLAIMS ANY WARRANTY OR MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

Intending to be legally bound, NSPM has caused this Bill of Sale to be executed in its name by a duly authorized representative on \_\_\_\_\_, 2015.

NORTHERN STATES POWER  
COMPANY,  
a Minnesota corporation

By: \_\_\_\_\_

Name:

Title:



**Attachment A-1**  
**PURCHASED ASSETS**

<b>NSP Line 0727 Str. #</b>	<b>Conductor Ft.</b>	<b>Shield Ft.</b>	<b>Stl. Pole</b>	<b>Drilled Pier</b>	<b>Crossarm</b>
739			1	1	6
740	337	337	1		6
741	334	334	1		6
742	334	334	1		6
743	337	337	1		6
744	334	334	1		6
745	342	342	1		6
746	345	345	1		6
747	329	329	1		6
748	344	344	1		6
749	332	332	1		6
750	342	342	1		6
751	346	346	1		6
752	253	253	1		6
753	260	260	1		6
754	264	264	1		6
755	350	350	1		6
756	350	350	1		6
757	343	343	1		6
758	344	344	1		6
759	349	349	1		6
760	348	348	1		6
761	346	346	1		6
762	348	348	1		6
763	322	322	1		6
764	348	348	1		6
765	350	350	1		6
766	345	345	1		6
767	348	348	1		6
768	348	348	1		6
769	348	348	1		6
770	315	315	1		6
771	349	349	1		6
772	334	334	1		6
773	343	343	1		6
774	344	344	1		6
775	347	347	1		6
776	327	327	1		6
777	321	321	1		6

<b>NSP Line 0727 Str. #</b>	<b>Conductor Ft.</b>	<b>Shield Ft.</b>	<b>Stl. Pole</b>	<b>Drilled Pier</b>	<b>Crossarm</b>
778	339	339	1	1	6
779	330	330	1		6
780	330	330	1		6
781	331	331	1		6
782	322	322	1		6
783	352	352	1		6
784	347	347	1		6
785	349	349	1		6
786	346	346	1		6
787	327	327	1		6
788	336	336	1	1	6
789	268	268	1		6
790	267	267	1	1	6
Sub Totals	50,832	16,944	52	4	312
<b>Total Conductor in Feet</b>	<b>50,832</b>				
<b>Total Shield Wire in Feet</b>	<b>16,944</b>				
<b>Total Steel Poles</b>	<b>52</b>				
<b>Total Drilled Piers</b>	<b>4</b>				
<b>Total Crossarms</b>	<b>312</b>				

Line 0727 Structure #739 is located in the northeast quadrant of South Dakota State Highway 34 and 473<sup>rd</sup> Avenue, located in Moody County, South Dakota. The Purchased Assets portion of line runs along the north side of SD Hwy 34 for approximately 3.5 miles. Structure #790 is located four (4) spans east of the intersection of SD Hwy 34 and 476<sup>th</sup> Avenue.

**EXHIBIT B**

ASSIGNMENT OF EASEMENTS FOR PURCHASED ASSETS

See the following pages.

(The remainder of this page is intentionally blank.)

### ASSIGNMENT OF EASEMENTS FOR PURCHASED ASSETS

This Easement Assignment (Assignment) is made by and between Northern States Power Company, a Minnesota corporation (Assignor), and Otter Tail Power Company, a Minnesota corporation (Assignee).

Assignor hereby assigns to Assignee all of Assignor's right, title and interest in the following Easements:

1. Document number 261 recorded on the 18<sup>th</sup> day of August, 1936 in the Office of the Register of Deeds, Moody County, South Dakota, and
2. Document number 262 recorded on the 18<sup>th</sup> day of August, 1936 in the Office of the Register of Deeds, Moody County, South Dakota, and
3. Document number 263 recorded on the 18<sup>th</sup> day of August, 1936 in the Office of the Register of Deeds, Moody County, South Dakota, and
4. Document number 264 recorded on the 18<sup>th</sup> day of August, 1936 in the Office of the Register of Deeds, Moody County, South Dakota, and
5. Document number 0267 recorded on the 14<sup>th</sup> day of December, 1937 in the Office of the Register of Deeds, Moody County, South Dakota, and
6. Document number 268 recorded on the 14<sup>th</sup> day of December, 1937 in the Office of the Register of Deeds, Moody County, South Dakota, and
7. Document number 269 recorded on the 10<sup>th</sup> day of September, 1937 in the Office of the Register of Deeds, Moody County, South Dakota, and

8. Document number 0301 recorded on the 18<sup>th</sup> day of August, 1936 in the Office of the Register of Deeds, Moody County, South Dakota, and
9. Document number 090730 recorded on the 1<sup>st</sup> day of May, 2009 in the Office of the Register of Deeds, Moody County, South Dakota, and
10. Document number 090731 recorded on the 1<sup>st</sup> day of May, 2009 in the Office of the Register of Deeds, Moody County, South Dakota, and
11. Document number 090732 recorded on the 1<sup>st</sup> day of May, 2009 in the Office of the Register of Deeds, Moody County, South Dakota, and
12. Document number 090733 recorded on the 1<sup>st</sup> day of May, 2009 in the Office of the Register of Deeds, Moody County, South Dakota, and
13. Document number 090734 recorded on the 1<sup>st</sup> day of May, 2009 in the Office of the Register of Deeds, Moody County, South Dakota, and
14. Document number 090772 recorded on the 7<sup>th</sup> day of May, 2009 in the Office of the Register of Deeds, Moody County, South Dakota,

and Assignee hereby agrees to perform all of the obligations, if any, contained in such Easements.

This Assignment, and the rights, obligations and interests assigned hereby shall be binding upon and inure to the benefit of Assignee and each and all of its respective successors and permitted assigns. This Assignment shall be construed in accordance with the laws of the State of South Dakota.

This Assignment may be executed in one or more counterparts, all of which when taken together, shall constitute one and the same instrument.

This Assignment is made as of the \_\_\_\_ day of \_\_\_\_\_, 2015.

[SIGNATURES AND ACKNOWLEDGMENTS ON FOLLOWING PAGES]

THIS INSTRUMENT WAS DRAFTED BY:  
Northern States Power Company  
414 Nicollet Mall, 5<sup>th</sup> Floor  
Minneapolis, MN 55408





Drafted By:

Bob Koehler  
Senior Siting and Land Rights Agent  
Xcel Energy  
414 Nicollet Mall - MP Suite 800  
Minneapolis, MN 55401-1993  
Ph: 612.330.6766



#090732

STATE OF SOUTH DAKOTA  
COUNTY OF MOODY

Filed for record this 1 day of  
May A.D. 2009 at 11:00 o'clock  
A.M. and recorded Document No. 090732  
of Mesa  
Paul Meyer  
Register of Deeds  
16:00  
Deputy

**EASEMENT**

The undersigned, hereinafter called "Grantor", in consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration to Grantor in hand paid by Northern States Power Company, a Minnesota corporation, d/b/a Xcel Energy, hereinafter called "NSP", does hereby grant unto NSP, its successors and assigns, the perpetual right, privilege and easement to construct, operate, maintain, use, rebuild, or remove electric lines with all towers, structures, poles, foundations, crossarms, cables, wires, guys, supports, counterpoises, fixtures, and devices appurtenant to said lines through, over, under and across the following described lands situated in the County of Moody and State of South Dakota, to-wit:

PROPERTY DESCRIPTION – (hereinafter called the “Premises”)

The W 1/2 SE ¼ 17-106-49.

EASEMENT DESCRIPTION - (hereinafter called the “Easement Area”)

Except for the right of access and temporary construction area, said easement shall be limited to that part of the Premises described as follows:

A 37.5-foot wide easement lying North of, adjacent to and parallel with the North line of the South 75 feet of the Premises.

The rights granted herein may be exercised at any time subsequent to the execution of this document.

The grant of easement herein contained shall also include the right to enter upon the Premises, to survey for and locate said lines and shall also include the right to trim or remove from said Easement Area any structures, trees (including tall or leaning trees located within the Premises adjacent to the Easement Area, which may endanger said lines by reason of falling thereon) or objects, except fences, which in the opinion of NSP will interfere with said lines. Grantor agrees not to erect any buildings, structures or other objects, permanent or temporary, except fences, upon the Easement Area. Grantor further agrees not to plant any trees within the Easement Area without the prior express written approval from NSP, nor to not perform any act which will interfere with or endanger said lines.



The grant of easement herein contained shall also include the right of NSP to have reasonable access to said Easement Area across the Premises. The grant of easement herein contained shall also include the right of reasonable temporary use by NSP of Premises adjacent to said Easement Area during construction, repair or replacement of said transmission lines, for additional construction area.

Said electric lines and supporting structures from time to time may be reconstructed or relocated on said Easement Area with changed dimensions and to operate at different voltages.

The grant herein contained shall also include the right of NSP to permit the attachment of wires of others to the structures supporting said lines.

Grantor reserves the right to dedicate and have or permit to be improved, maintained, and used for the purposes of streets, curbs and gutters, sewers, water and underground utilities (hereinafter called "improvements"), the portion of said Easement Area not occupied by the structures supporting Northern States Power Company's electric system, provided that said improvements do not in the opinion of NSP impair the structural or electrical integrity of or ability to maintain said electric system or materially alter the existing ground elevations; and provided further that all such improvements shall not result in a ground or other clearance of less than the minimum requirements specified by the National Electrical Safety Code. Grantor, its agents or assigns must submit plans of improvements or other installations within the Easement Area for review, compliance and written approval by NSP prior to installation of the improvements.

Grantor also reserves the right to cultivate, use and occupy said Easement Area, in a manner that is not inconsistent with NSP's rights granted herein.

NSP shall pay for all damages to landscaping, roads and driveways, fences, livestock, crops, fields and other property caused by the construction or maintenance of said lines. Claims on account of such damages may be referred to NSP's nearest office.

Grantor covenants with NSP, its successors and assigns, that Grantor is the owner of the above described premises and has the right to sell and convey an easement in the manner and form herein.

Grantor agrees to execute and deliver to NSP, at NSP's cost without additional compensation, any additional documents needed to correct the legal description of the Easement Area described herein, so that it describes the Easement Area within the Premises that was originally intended to be granted herein and which at a minimum provides conductor clearance meeting the requirements of the National Electrical Safety Code.

It is mutually understood and agreed that this instrument covers all the agreements and stipulations between the parties and that no representation or statements, verbal or written, have been made modifying, adding to or changing the terms hereof.





Drafted By:

Bob Koehler  
Senior Siting and Land Rights Agent  
Xcel Energy  
414 Nicollet Mall - MP Suite 800  
Minneapolis, MN 55401-1993  
Ph: 612.330.6766



#090731  
STATE OF SOUTH DAKOTA  
COUNTY OF MOODY  
Filed for record this 1 day of  
May A.D. 2009 at 11:00 o'clock  
A M and recorded Document No 090731  
of Misc. Paul Meyer  
Register of Deeds  
14:00 Deputy

**EASEMENT**

The undersigned, hereinafter called "Grantor", in consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration to Grantor in hand paid by Northern States Power Company, a Minnesota corporation, d/b/a Xcel Energy, hereinafter called "NSP", does hereby grant unto NSP, its successors and assigns, the perpetual right, privilege and easement to construct, operate, maintain, use, rebuild, or remove electric lines with all towers, structures, poles, foundations, crossarms, cables, wires, guys, supports, counterpoises, fixtures, and devices appurtenant to said lines through, over, under and across the following described lands situated in the County of Moody and State of South Dakota, to-wit:

PROPERTY DESCRIPTION - (hereinafter called the "Premises")

The Southwest Quarter (SW1/4) of Section 17, Township 106 north, Range 49 West of the 5<sup>th</sup> P.M., Moody county, SD, except the South 141.98 feet of the North 1325.83 feet of the West 524.94 feet thereof, except the South 498.95 feet of the North 1824.78 feet of the West 495.95 feet thereof, except the South 414.80 feet of the north 1183.85 feet of the West 524.94 feet of the North Half of the Southwest Quarter (N1/4 SW1/4), and except that portion of Lot H1 contained therein.

EASEMENT DESCRIPTION - (hereinafter called the "Easement Area")

Except for the right of access and temporary construction area, said easement shall be limited to that part of the Premises described as follows:

A 37.5-foot wide easement lying North of, adjacent to and parallel with the North line of the South 75 feet of the Premises.

The rights granted herein may be exercised at any time subsequent to the execution of this document.

The grant of easement herein contained shall also include the right to enter upon the Premises, to survey for and locate said lines and shall also include the right to trim or remove from said Easement Area any structures, trees (including tall or leaning trees located within the Premises adjacent to the Easement Area, which may endanger said lines by reason of falling thereon) or objects, except fences, which in the opinion of NSP will interfere with said lines. Grantor agrees not to erect any buildings, structures or other objects, permanent or temporary, except fences, upon the Easement Area. Grantor further agrees not to plant any trees within the Easement Area without the prior express written approval from NSP, nor to not perform any act which will interfere with or endanger said lines.

The grant of easement herein contained shall also include the right of NSP to have reasonable access to said Easement Area across the Premises. The grant of easement herein contained shall also include the right of reasonable temporary use by NSP of Premises adjacent to said Easement Area during construction, repair or replacement of said transmission lines, for additional construction area.

Said electric lines and supporting structures from time to time may be reconstructed or relocated on said Easement Area with changed dimensions and to operate at different voltages.

The grant herein contained shall also include the right of NSP to permit the attachment of wires of others to the structures supporting said lines.

Grantor reserves the right to dedicate and have or permit to be improved, maintained, and used for the purposes of streets, curbs and gutters, sewers, water and underground utilities (hereinafter called "improvements"), the portion of said Easement Area not occupied by the structures supporting Northern States Power Company's electric system, provided that said improvements do not in the opinion of NSP impair the structural or electrical integrity of or ability to maintain said electric system or materially alter the existing ground elevations; and provided further that all such improvements shall not result in a ground or other clearance of less than the minimum requirements specified by the National Electrical Safety Code. Grantor, its agents or assigns must submit plans of improvements or other installations within the Easement Area for review, compliance and written approval by NSP prior to installation of the improvements.

Grantor also reserves the right to cultivate, use and occupy said Easement Area, in a manner that is not inconsistent with NSP's rights granted herein.

NSP shall pay for all damages to landscaping, roads and driveways, fences, livestock, crops, fields and other property caused by the construction or maintenance of said lines. Claims on account of such damages may be referred to NSP's nearest office.

Grantor covenants with NSP, its successors and assigns, that Grantor is the owner of the above described premises and has the right to sell and convey an easement in the manner and form herein.

Grantor agrees to execute and deliver to NSP, at NSP's cost without additional compensation, any additional documents needed to correct the legal description of the Easement Area described herein, so that it describes the Easement Area within the Premises that was originally intended to be granted herein and which at a minimum provides conductor clearance meeting the requirements of the National Electrical Safety Code.



Pipestone-Sioux Falls 69 XV  
 Federal Land Bank of Omaha, Neb.

EASEMENT FOR RIGHT OF WAY

KNOW ALL MEN BY THESE PRESENTS:

That the Federal Land Bank of Omaha, Nebraska, in con-

sideration of the sum of Fifteen and no/100 (\$15.00) Dollars in hand paid by

Northern States Power Company, a corporation duly organized and existing

under the laws of the State of Minnesota, the receipt whereof is hereby ack-

nowledged, does hereby grant unto said Company, its successors and assigns,

the right, privilege and authority to construct, operate and maintain its

lines for the transmission of electrical energy, including the necessary

poles, wires, guys, stubs and other fixtures over, across and upon the

following described real estate, now owned by the said The Federal Land

Bank of Omaha, in the County of Moody, and State of South Dakota, to-wit:

Southeast Quarter of the Northwest Quarter of  
 Section 20, Township 106 North, Range 49 West  
 of the 5th Principal Meridian,

and also hereby grants unto said Company, its successors and assigns, the

right, privilege and authority to trim or cut down any trees which may in-

terfere with the construction, maintenance and operation of such lines; and

does also grant unto said Company, its successors and assigns, the right to

enter upon the above described premises at any time and all times for the

purposes above set forth.

It is hereby agreed and understood by and between the parties

hereto that the center line of said transmission line, consisting of not less

than four or more than five poles be located not to exceed 36 feet East of

the West Section line of the Southwest Quarter of the Northwest Quarter of

Section 20, Township 106 North, Range 49 West of the 5th Principal Meridian,

Moody County, South Dakota.

IN WITNESS WHEREOF, We have hereunto set our hands and seals

this 10th day of September, 1937.

THE FEDERAL LAND BANK OF OMAHA

By: [Signature]  
 Vice President

Attest: [Signature]  
 Assistant Secretary

Witness:

[Signature]

GRANTOR	LINE	727	RCE	49	TWP	106	SEC	20
OMAHA FEDERAL LAND BANK (of)								

*[Handwritten notes and signatures]*

Notary Public in and for said  
County and State.  
*Ch. Osborn*

On this 10th day of September, 1937, before me, a Notary Public in and for said County and State, personally appeared Frank O. Osborn to me personally known, who being by me duly sworn, did say he is Vice President of the Federal Land Bank of Omaha, a corporation, and that the seal affixed to said instrument is the corporate seal of said corporation; and said instrument was signed and sealed on behalf of the said corporation by authority of its board of directors; and the said Frank O. Osborn acknowledged the instrument to be the voluntary act and deed of said corporation, by it voluntarily executed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal this 10th day of September, 1937.

STATE OF NEBRASKA )  
                          ) SS.:  
COUNTY OF DOUGLAS )



Registered - Sioux Falls 69 MI  
 Registered - 301 - Embassy

Witness: *J. H. Thompson*  
*A. J. Johnson*  
 (Seal) *Mary Kern*  
 (Seal) *J. H. Thompson*

day of *July*, A. D. 19*37*  
 IN WITNESS WHEREOF, We have hereunto set our hands and seals this *9<sup>th</sup>* day of

and also hereby grant unto said Company, its successors and assigns, the right, privilege and authority to trim or cut down any trees which may interfere with the construction, maintenance and operation of such lines; and do also grant unto said Company, its successors and assigns, the right to enter upon the above described premises at any and all times for the purposes above set forth.

It is made and agreed by and between the parties that the center line of said transmission line be located not to exceed 36 feet east of west section line.

to-wit: *West half of Section 24, Township 49 N., Range 50 W., (49)*  
*Section 24, Township 49 N., Range 50 W., (106)*  
*and State of South Dakota*  
 KNOW ALL MEN BY THESE PRESENTS, That we, of the County of *Meade*, in consideration of the sum of *50.00* Dollars (\$ *50.00*) to us in hand paid by Northern States Power Company, a corporation duly organized and existing under the laws of the State of *Minnesota*, the receipt whereof is hereby acknowledged, do hereby grant unto said Company, its successors and assigns, the right, privilege and authority to construct, operate and maintain its lines for the transmission of electrical energy, including the necessary ~~set~~ towers, poles, wires, guys, stubs and other fixtures over, across and upon the following described real estate, now owned by us in the County of *Meade*, and State of *South Dakota*

LINE	727	RCF	L9	TWP	106	SFC	20
GRANTOR	KERN I J et al						

SEARCHED WITH FILE ✓  
INDEXED ✓  
SERIALIZED ✓  
FILED ✓  
AUG 10 1938  
FBI - MEMPHIS

RECORDS SECTION  
AUG 10 1938  
440  
520  
16  
MISC  
J. M. C. C. C.  
\$1.70

STATE OF South Dakota }  
County of Mersey } ss.  
On this 9th day of July, A. D. 1938, before me, a Notary Public, within and for said County, personally appeared Edward G. Kern and Mary Kern his wife, to me known to be the persons described in and who executed the foregoing instrument and acknowledged that They executed the same as their free act and deed.  
Notary Public, Mersey County, South Dakota  
My Commission Expires July 10, 1938



CHECKED WITH PLAT  
COMPARED  
ENTERED IN DEED RECORDS  
ENTERED IN EXECUTION RECORDS  
9/7/32

Office of REGISTER OF DEEDS  
Monty Co., South Dakota  
Wife for record this 19th day  
of August 1936  
at 4:00 o'clock P.M. Recorded  
in Book 16 of Mar. Page 364  
By *Lyron D. Erickson*  
Register of Deeds

STATE OF *South Dakota*  
County of *Minnehaha*  
On this *12th* day of *August*, A. D. 19*36*, before me, a Notary Public, within  
*My Commission Expires January 10-1939*  
and for said County, personally appeared *Mr. Clara Chaussey* and *Charles Chaussey*  
his wife, to me known to be the person described in and who executed the foregoing instrument  
and acknowledged that they executed the same *as their* free act and deed.  
Notary Public *Wm. H. B. B. B.* County *So. Dak.*  
My Commission Expires *January 10-1939*





The grant of easement herein contained shall also include the right to enter upon the Premises, to survey for and locate said lines and shall also include the right to trim or remove from said Easement Area any structures, trees (including tall or leaning trees located within the Premises adjacent to the Easement Area, which may endanger said lines by reason of falling thereon) or objects, except fences, which in the opinion of NSP will interfere with said lines. Grantor agrees not to erect any buildings, structures or other objects, permanent or temporary, except fences, upon the Easement Area. Grantor further agrees not to plant any trees within the Easement Area without the prior express written approval from NSP, nor to not perform any act which will interfere with or endanger said lines.

The rights granted herein may be exercised at any time subsequent to the execution of this document.

A 37.5-foot wide easement lying North of, adjacent to and parallel with the North line of the South 75 feet of the Premises.

Except for the right of access and temporary construction area, said easement shall be limited to that part of the above described property as follows:

EASEMENT DESCRIPTION - (hereinafter called the "Easement Area")

The Southeast Quarter (SE1/4) of Section Sixteen (16), Township One Hundred Six (106) North, Range Fort-nine (49) West of the 5<sup>th</sup> P.M.

PROPERTY DESCRIPTION

The undersigned, hereinafter called "Grantor", in consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration to Grantor in hand paid by Northern States Power Company, a Minnesota corporation, d/b/a Xcel Energy, hereinafter called "NSP", does hereby grant unto NSP, its successors and assigns, the perpetual right, privilege and easement to construct, operate, maintain, use, rebuild, or remove electric lines with all towers, structures, poles, foundations, crossarms, cables, wires, guys, supports, counterpoises, fixtures, and devices appurtenant to said lines through, over, under and across the following described lands situated in the County of Moody and State of South Dakota, to-wit:

**EASEMENT**

Line 737  
 Grantor Hemmer, Robert J  
 49  
 106  
 Sec 16

STATE OF SOUTH DAKOTA  
 COUNTY OF MOODY  
 Filed for record this \_\_\_\_\_ day of \_\_\_\_\_  
 A.D. 2017 at 11:00 o'clock  
 M and recorded Document No. 090730  
 of \_\_\_\_\_  
 H. Hemmer  
 Register of Deeds  
 Deputy



Bob Koehler  
 Senior Siting and Land Rights Agent  
 Xcel Energy  
 414 Nicollet Mall - MP Suite 800  
 Minneapolis, MN 55401-1993  
 Ph: 612.330.6766

Drafted By:

#090730

The grant of easement herein contained shall also include the right of NSP to have reasonable access to said Easement Area across the Premises. The grant of easement herein contained shall also include the right of reasonable temporary use by NSP of Premises adjacent to said Easement Area during construction, repair or replacement of said transmission lines, for additional construction area.

Said electric lines and supporting structures from time to time may be reconstructed or relocated on said Easement Area with changed dimensions and to operate at different voltages.

The grant herein contained shall also include the right of NSP to permit the attachment of wires of others to the structures supporting said lines.

Grantor reserves the right to dedicate and have or permit to be improved, maintained, and used for the purposes of streets, curbs and gutters, sewers, water and underground utilities (hereinafter called "improvements"), the portion of said Easement Area not occupied by the structures supporting Northern States Power Company's electric system, provided that said improvements do not in the opinion of NSP impair the structural or electrical integrity of or ability to maintain said electric system or materially alter the existing ground elevations; and provided further that all such improvements shall not result in a ground or other clearance of less than the minimum requirements specified by the National Electrical Safety Code. Grantor, its agents or assigns must submit plans of improvements or other installations within the Easement Area for review, compliance and written approval by NSP prior to installation of the improvements.

Grantor also reserves the right to cultivate, use and occupy said Easement Area, in a manner that is not inconsistent with NSP's rights granted herein.

NSP shall pay for all damages to landscaping, roads and driveways, fences, livestock, crops, fields and other property caused by the construction or maintenance of said lines. Claims on account of such damages may be referred to NSP's nearest office.

Grantor covenants with NSP, its successors and assigns, that Grantor is the owner of the above described premises and has the right to sell and convey an easement in the manner and form herein.

Grantor agrees to execute and deliver to NSP, at NSP's cost without additional compensation, any additional documents needed to correct the legal description of the Easement Area described herein, so that it describes the Easement Area within the Premises that was originally intended to be granted herein and which at a minimum provides conductor clearance meeting the requirements of the National Electrical Safety Code.

It is mutually understood and agreed that this instrument covers all the agreements and stipulations between the parties and that no representation or statements, verbal or written, have been made modifying, adding to or changing the terms hereof.



The Hemmers require the poles be placed within 5' of  
North  
the Road Right of Way =  
RTH  
KWH

This Instrument was drafted by: BK  
Northern States Power Company d/b/a Xcel Energy  
414 Nicollet Mall, MP-8  
Minneapolis, MN 55401+  
Line 0727



*Linnea Janssen*  
Notary Public

The foregoing instrument was acknowledged before me this 23 day of April, 2009, by Robert J. Hemmer and Karen W. Hemmer

STATE OF SOUTH DAKOTA )  
) ss. )  
) COUNTY OF MOODY )

Robert J. Hemmer and Karen W. Hemmer  
*Robert J. Hemmer*  
Robert J. Hemmer  
*Karen W. Hemmer*  
Karen W. Hemmer

IN WITNESS WHEREOF, the undersigned has caused this instrument to be duly executed as of the 23 day of April, 2009.

The grant of easement herein contained shall also include the right to enter upon the Premises, to survey for and locate said lines and shall also include the right to trim or remove from said Easement Area any structures, trees (including tall or leaning trees located within the Premises adjacent to the Easement Area, which may endanger said lines by reason of falling thereon) or objects, except fences, which in the opinion of NSP will interfere with said lines. Grantor agrees not to erect any buildings, structures or other objects, permanent or temporary, except fences, upon the Easement Area. Grantor further agrees not to plant

The rights granted herein may be exercised at any time subsequent to the execution of this document.

A 37.5-foot wide easement lying North of, adjacent to and parallel with the North line of the South 75 feet of the Premises.

Except for the right of access and temporary construction area, said easement shall be limited to that part of the above described property as follows:

EASEMENT DESCRIPTION - (hereinafter called the "Easement Area")

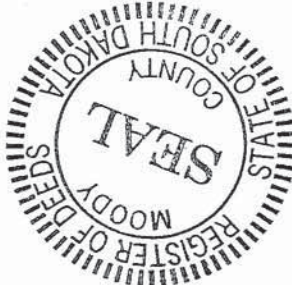
Southwest quarter (SW1/4) of Section Sixteen (16), Township One Hundred Six (106) North, Range Forty-nine (49), West of the 5<sup>th</sup> P.M., except Outlot "A".

PROPERTY DESCRIPTION - (hereinafter called "the Easement Area")

The undersigned, hereinafter called "Grantor", in consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration to Grantor in hand paid by Northern States Power Company, a Minnesota corporation, d/b/a Xcel Energy, hereinafter called "NSP", does hereby grant unto NSP, its successors and assigns, the perpetual right, privilege and easement to construct, operate, maintain, use, rebuild, or remove electric lines with all towers, structures, poles, foundations, crossarms, cables, wires, guys, supports, counterpoises, fixtures, and devices appurtenant to said lines through, over, under and across the following described lands situated in the County of <sup>Moody</sup> Baker and State of South Dakota, to-wit:

**EASEMENT**

Filed for record this 7<sup>th</sup> day of May A.D. 2009 at 10:30 o'clock  
A.M. and recorded Document No. 090772  
of Moody  
MAY 14 2009  
Dianne Hinkamp  
Register of Deeds  
Deputy



#090772

Bob Koehler  
Senior Siting and Land Rights Agent  
Xcel Energy  
414 Nicollet Mall - MP Suite 800  
Minneapolis, MN 55401-1993  
Ph: 612.330.6766

Drafted By:

Line 727  
Grantor WAHRENBERG, RBTG  
49  
106  
114

any trees within the Easement Area without the prior express written approval from NSP, nor to not perform any act which will interfere with or endanger said lines.

The grant of easement herein contained shall also include the right of NSP to have reasonable access to said Easement Area across the Premises. The grant of easement herein contained shall also include the right of reasonable temporary use by NSP of Premises adjacent to said Easement Area during construction, repair or replacement of said transmission lines, for additional construction area.

Said electric lines and supporting structures from time to time may be reconstructed or relocated on said Easement Area with changed dimensions and to operate at different voltages.

The grant herein contained shall also include the right of NSP to permit the attachment of wires of others to the structures supporting said lines.

Grantor reserves the right to dedicate and have or permit to be improved, maintained, and used for the purposes of streets, curbs and gutters, sewers, water and underground utilities (hereinafter called "improvements"), the portion of said Easement Area not occupied by the structures supporting Northern States Power Company's electric system, provided that said improvements do not in the opinion of NSP impair the structural or electrical integrity of or ability to maintain said electric system or materially alter the existing ground elevations; and provided further that all such improvements shall not result in a ground or other clearance of less than the minimum requirements specified by the National Electrical Safety Code. Grantor, its agents or assigns must submit plans of improvements or other installations within the Easement Area for review, compliance and written approval by NSP prior to installation of the improvements.

Grantor also reserves the right to cultivate, use and occupy said Easement Area, in a manner that is not inconsistent with NSP's rights granted herein.

NSP shall pay for all damages to landscaping, roads and driveways, fences, livestock, crops, fields and other property caused by the construction or maintenance of said lines. Claims on account of such damages may be referred to NSP's nearest office.

Grantor covenants with NSP, its successors and assigns, that Grantor is the owner of the above described premises and has the right to sell and convey an easement in the manner and form herein.

Grantor agrees to execute and deliver to NSP, at NSP's cost without additional compensation, any additional documents needed to correct the legal description of the Easement Area described herein, so that it describes the Easement Area within the Premises that was originally intended to be granted herein and which at a minimum provides conductor clearance meeting the requirements of the National Electrical Safety Code.

It is mutually understood and agreed that this instrument covers all the agreements and stipulations between the parties and that no representation or statements, verbal or written, have been made modifying, adding to or changing the terms hereof.

This instrument was drafted by: BK  
Northern States Power Company d/b/a Xcel Energy  
414 Nicollet Mall, MP-8  
Minneapolis, MN 55401  
Line 0727



My Commission expires: 12/21/2011

[Signature]  
Notary Public

The foregoing instrument was acknowledged before me this 1st day of May, 2009, by Robert C. Vandermeer and F. Sharon Vandermeer

STATE OF NEW MEXICO )  
) ss. )  
COUNTY OF SAN MIGUEL )

Robert C. Vandermeer and F. Sharon Vandermeer  
[Signature]  
Robert C. Vandermeer  
[Signature]  
F. Sharon Vandermeer

IN WITNESS WHEREOF, the undersigned has caused this instrument to be duly executed as of the 1st day of May, 2009.

The grant of easement herein contained shall also include the right to enter upon the Premises, to survey for and locate said lines and shall also include the right to trim or remove from said Easement Area any structures, trees (including tall or leaning trees located within the Premises adjacent to the Easement Area, which may endanger said lines by reason of falling thereon) or objects, except fences, which in the opinion of NSP will interfere with said lines. Grantor agrees not to erect any buildings, structures or other document.

The rights granted herein may be exercised at any time subsequent to the execution of this

A 37.5-foot wide easement lying North of, adjacent to and parallel with the North line of the South 75 feet of the Premises.

Except for the right of access and temporary construction area, said easement shall be limited to that part of the above described property as follows:

EASEMENT DESCRIPTION - (hereinafter called the "Easement Area")

The Southwest Quarter (SW1/4) and the South Half of the Southeast Quarter (S1/2SE1/4) except the North 43 feet of the South 76 feet thereof, but including Outlot A of Section Fifteen (15), all in Township One Hundred Six (106) North, Range Forty-nine (49) West of the 5<sup>th</sup> P.M., Moody County, South Dakota.

PROPERTY DESCRIPTION

The undersigned, hereinafter called "Grantor", in consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration to Grantor in hand paid by Northern States Power Company, a Minnesota corporation, d/b/a Xcel Energy, hereinafter called "NSP", does hereby grant unto NSP, its successors and assigns, the perpetual right, privilege and easement to construct, operate, maintain, use, rebuild, or remove electric lines with all towers, structures, poles, foundations, crossarms, cables, wires, guys, supports, counterpoises, fixtures, and devices appurtenant to said lines through, over, under and across the following described lands situated in the County of Moody and State of South Dakota, to-wit:

Line 797  
 Grantor Kanning, Timothy  
 R00 49  
 Twp 106  
 Sec 15

**EASEMENT**

Filed for record this \_\_\_\_\_ day of \_\_\_\_\_  
 May 11, 2017 at 11:00 o'clock  
 M and recorded Document No. 090733  
 of \_\_\_\_\_  
 \_\_\_\_\_  
 Register of Deeds  
 1400  
 Deputy



#090733

Bob Koehler  
 Senior Siting and Land Rights Agent  
 Xcel Energy  
 414 Nicollet Mall - MP Suite 800  
 Minneapolis, MN 55401-1993  
 Ph: 612.330.6766

Drafted By:

objects, permanent or temporary, except fences, upon the Easement Area. Grantor further agrees not to plant any trees within the Easement Area without the prior express written approval from NSP, nor to perform any act which will interfere with or endanger said lines.

The grant of easement herein contained shall also include the right of NSP to have reasonable access to said Easement Area across the Premises. The grant of easement herein contained shall also include the right of reasonable temporary use by NSP of Premises adjacent to said Easement Area during construction, repair or replacement of said transmission lines, for additional construction area.

Said electric lines and supporting structures from time to time may be reconstructed or relocated on said Easement Area with changed dimensions and to operate at different voltages.

The grant herein contained shall also include the right of NSP to permit the attachment of wires of others to the structures supporting said lines.

Grantor reserves the right to dedicate and have or permit to be improved, maintained, and used for the purposes of streets, curbs and gutters, sewers, water and underground utilities (hereinafter called "improvements"), the portion of said Easement Area not occupied by the structures supporting Northern States Power Company's electric system, provided that said improvements do not in the opinion of NSP impair the structural or electrical integrity of or ability to maintain said electric system or materially alter the existing ground elevations; and provided further that all such improvements shall not result in a ground or other clearance of less than the minimum requirements specified by the National Electrical Safety Code. Grantor, its agents or assigns must submit plans of improvements or other installations within the Easement Area for review, compliance and written approval by NSP prior to installation of the improvements.

Grantor also reserves the right to cultivate, use and occupy said Easement Area, in a manner that is not inconsistent with NSP's rights granted herein.

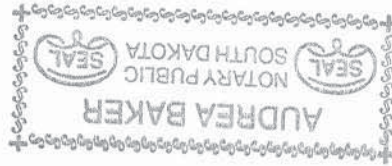
NSP shall pay for all damages to landscaping, roads and driveways, fences, livestock, crops, fields and other property caused by the construction or maintenance of said lines. Claims on account of such damages may be referred to NSP's nearest office.

Grantor covenants with NSP, its successors and assigns, that Grantor is the owner of the above described premises and has the right to sell and convey an easement in the manner and form herein.

Grantor agrees to execute and deliver to NSP, at NSP's cost without additional compensation, any additional documents needed to correct the legal description of the Easement Area described herein, so that it describes the Easement Area within the Premises that was originally intended to be granted herein and which at a minimum provides conductor clearance meeting the requirements of the National Electrical Safety Code.

It is mutually understood and agreed that this instrument covers all the agreements and stipulations between the parties and that no representation or statements, verbal or written, have been made modifying, adding to or changing the terms hereof.

This Instrument was drafted by: BK  
Northern States Power Company d/b/a Xcel Energy  
414 Nicollet Mall, MP-8  
Minneapolis, MN 55401  
Line 0727



Audrea Baker  
Notary Public  
11-7-2013

The foregoing instrument was acknowledged before me this 27<sup>th</sup> day of February, 2009, by Timothy J. Penning and Julie Marie Penning

STATE OF SOUTH DAKOTA )  
) ss.  
COUNTY OF MINNEHAHA )

Timothy J. Penning and Julie Marie Penning  
Timothy J. Penning  
Timothy J. Penning  
Julie Marie Penning  
Julie Marie Penning

IN WITNESS WHEREOF, the undersigned has caused this instrument to be duly executed as of the 27 day of Feb., 2009.

Pipestone-Slovak Falls 69 MW  
 Chamley, Rauland & Associates

Witness: *A. Johnson*  
*S. Johnson*  
*Rauland Associates* (Seal)  
*Margaret Chamley* (Seal)

day of August, A. D. 1936.

IN WITNESS WHEREOF, We have hereunto set our hands and seals this 12<sup>th</sup> day of August, A. D. 1936.

and also hereby grant unto said Company, its successors and assigns, the right, privilege and authority to trim or cut down any trees which may interfere with the construction, maintenance and operation of such lines; and do also grant unto said Company, its successors and assigns, the right to enter upon the above described premises at any and all times for the purposes above set forth.

It is understood and agreed that the center line of said transmission line shall not exceed fifty-three (53) feet north of south Section line, except at borrow pit, where same shall not exceed three (3) feet north of said borrow pit limits, and shall also include anchorage of corner pole at northwest corner of said borrow pit.

KNOW ALL MEN BY THESE PRESENTS, That we, of the County of \_\_\_\_\_, in consideration of the sum of Thirty-five and no/100 Dollars (\$35.00) to us in hand paid by Northern States Power Company, a corporation duly organized and existing under the laws of the State of Minnesota, the receipt whereof is hereby acknowledged, do hereby grant unto said Company, its successors and assigns, the right, privilege and authority to construct, operate and maintain its lines for the transmission of electrical energy, including the necessary ~~steel towers,~~ poles, wires, guys, ~~cuts,~~ and other fixtures over, across and upon the following described real estate, now owned by us in the County of \_\_\_\_\_, Moody, and State of South Dakota to-wit:

South Half (S $\frac{1}{2}$ ) of Southeast Quarter (SE $\frac{1}{4}$ ) of Section Fifteen (15), Township One Hundred Six (106), Range Forty-nine (49).

LINE	727	ACRE	49	TWP.	106	SEC.	15
GRANTOR CHAMLEY Rauland et al							

2101







Office of REGISTER OF DEEDS  
 County of, South Dakota  
 REGISTERED FILED 19th  
 of August 1936  
 at 4.00 o'clock P.M.  
 in Book 16 of Mass.  
 Page 363  
 Brent D. Erickson  
 Register of Deeds

CHECKED WITH PLAT \_\_\_\_\_  
 COMPARED \_\_\_\_\_  
 ENTERED IN DEED RECORDS \_\_\_\_\_  
 ENTERED IN EASEMENT RECORD 9-7-32  
 ENTERED IN TAX RECORD \_\_\_\_\_  
 COPY SENT \_\_\_\_\_

Notary Public, \_\_\_\_\_  
 My Commission Expires 10th May 39

STATE OF South Dakota }  
 County of Minnehaha } ss.  
 On this 36th day of August, 1936, before me, a Notary Public, within  
 and for said County, personally appeared \_\_\_\_\_ and \_\_\_\_\_  
 his wife, to me known to be the person described in and who executed the foregoing instrument  
 and acknowledged that she executed the same as her free act and deed.  
 \_\_\_\_\_  
 \_\_\_\_\_



Docket No. PA-16-441  
 Exhibit A  
 Page 63 of 83  
 ENTERED IN TAX RECORD  
 ENTERED IN EASEMENT RECORD  
 ENTERED IN DEED RECORD  
 COMPARED  
 CHECKED WITH PLAT

OFFICE OF REGISTER OF DEEDS  
 SOUTH DAKOTA  
 FILED FOR RECORD  
 AUGUST 18 1936  
 4:00 P.M.  
 REGISTERED  
 3611  
 Mrs.

My Commission Expires January 10th 1939.  
 Notary Public Minnehaha County S.D.

*S. B. Johnson*

On this 12th day of August A.D. 1936 before me a NOTARY PUBLIC within and for the County of Minnehaha South Dakota personally appeared Agnetta Haugen Nebben, widow, Rudolf Haugen, single, Pauline Haugen, single, Agnes Haugen Lewallen, and Harold Lewallen her husband, and Julia Estergaard, and Christ Estergaard her husband, and Olga Haugen single, to me known to be the persons described in and who executed the foregoing instrument and acknowledged that they executed the same as their free act and deed.

State of South Dakota )  
 SS. )  
 County of Minnehaha )

My Commission Expires.....  
 Notary Public,..... County,.....

On this..... day of..... A. D. 19....., before me, a Notary Public, within and for said County, personally appeared..... and..... his wife, to me known to be the person..... described in and who executed the foregoing instrument and acknowledged that..... he..... executed the same..... free act and deed.

STATE OF..... )  
 ss. )  
 County of..... )

A 37.5-foot wide easement lying Northerly of, adjacent to and parallel with the Northerly right of way line of the new South Dakota Highway 34, extending northeasterly from the West line of said Section 14 for a distance of 1272.00 feet and there terminating.

Also, a 75-foot wide easement being 37.5 feet on each side of the following described centerline and the side line extensions thereof:

Commencing at the Southwest corner of said Section 14; thence on an assumed bearing of North 86 degrees 41 minutes 20 seconds East, along the South line of said Section 14, a distance of 1653.55 feet to the point of beginning of the centerline to be described; thence North 62 degrees 03 minutes 27 seconds West, a distance of 226.36 feet; thence North 62 degrees 09 minutes 36 seconds West, a distance of 257.45 feet and there said centerline terminates.

Except for the right of access and temporary construction area, said easement shall be limited to that part of the above described property as follows:

**EASEMENT DESCRIPTION** - (hereinafter called the "Easement Area")

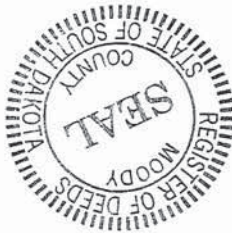
The South half of the Southwest Quarter (S1/2 SW1/4) lying North of South Dakota Highway 34, Except Lots H-1, H-2 & H-3; all in Section Fourteen (14), Township One Hundred Six (106) North, Range Forty-Nine (49) West, (Egan Township), Moody County, South Dakota.

**PROPERTY DESCRIPTION**

The undersigned, hereinafter called "Grantor", in consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration to Grantor in hand paid by Northern States Power Company, a Minnesota corporation, d/b/a Xcel Energy, hereinafter called "NSP", does hereby grant unto NSP, its successors and assigns, the perpetual right, privilege and easement to construct, operate, maintain, use, rebuild, or remove electric lines with all towers, structures, poles, foundations, crossarms, cables, wires, guys, supports, counterpoises, fixtures, and devices appurtenant to said lines through, over, under and across the following described lands situated in the County of Moody and State of South Dakota, to-wit:

**EASEMENT**

Lino 707  
 Grantor: Johanson, Roy  
 49 W 126 St  
 14



#09034  
 STATE OF SOUTH DAKOTA  
 COUNTY OF MOODY  
 Filed for record this \_\_\_\_\_ day of \_\_\_\_\_  
 at \_\_\_\_\_ o'clock  
 of \_\_\_\_\_  
 and recorded Document No. 09034  
 Register of Deeds  
 Deputy

Drafted By: Bob Koehler  
 Senior Siting and Land Rights Agent  
 Xcel Energy  
 414 Nicollet Mall - MP Suite 800  
 Minneapolis, MN 55401-1993  
 Ph: 612.330.6766

\\FNP\CPG007\Home\KHLB03\Relocations\SDLine 0727 SDDOT P-PH 0034(97)406 SD HWY 34 Moody City\Parcel\_23\Approved\Parcel\_23\_JohnsonEasement.DOC  
rev(1) 10-8-40ht

Page 2 of 3

Grantor agrees to execute and deliver to NSP, at NSP's cost without additional compensation, any additional documents needed to correct the legal description of the Easement Area described herein, so that it describes the Easement Area within the Premises that was originally intended to be granted herein and

Grantor covenants with NSP, its successors and assigns, that Grantor is the owner of the above described premises and has the right to sell and convey an easement in the manner and form herein.

NSP shall pay for all damages to landscaping, roads and driveways, fences, livestock, crops, fields and other property caused by the construction or maintenance of said lines. Claims on account of such damages may be referred to NSP's nearest office.

Grantor also reserves the right to cultivate, use and occupy said Easement Area, in a manner that is not inconsistent with NSP's rights granted herein.

Grantor reserves the right to dedicate and have or permit to be improved, maintained, and used for the purposes of streets, curbs and gutters, sewers, water and underground utilities (hereinafter called "improvements"), the portion of said Easement Area not occupied by the structures supporting Northern States Power Company's electric system, provided that said improvements do not in the opinion of NSP impair the structural or electrical integrity of or ability to maintain said electric system or materially alter the existing ground elevations; and provided further that all such improvements shall not result in a ground or other clearance of less than the minimum requirements specified by the National Electrical Safety Code. Grantor, its agents or assigns must submit plans of improvements or other installations within the Easement Area for review, compliance and written approval by NSP prior to installation of the improvements.

The grant herein contained shall also include the right of NSP to permit the attachment of wires of others to the structures supporting said lines.

Said electric lines and supporting structures from time to time may be reconstructed or relocated on said Easement Area with changed dimensions and to operate at different voltages.

The grant of easement herein contained shall also include the right of NSP to have reasonable access to said Easement Area across the Premises. The grant of easement herein contained shall also include the right of reasonable temporary use by NSP of Premises adjacent to said Easement Area during construction, repair or replacement of said transmission lines, for additional construction area.

The grant of easement herein contained shall also include the right to enter upon the Premises, to survey for and locate said lines and shall also include the right to trim or remove from said Easement Area any structures, trees (including tall or leaning trees located within the Premises adjacent to the Easement Area, which may endanger said lines by reason of falling thereon) or objects, except fences, which in the opinion of NSP will interfere with said lines. Grantor agrees not to erect any buildings, structures or other objects, permanent or temporary, except fences, upon the Easement Area. Grantor further agrees not to plant any trees within the Easement Area without the prior express written approval from NSP, nor to perform any act which will interfere with or endanger said lines.

The rights granted herein may be exercised at any time subsequent to the execution of this document.

*Handwritten:* COPY

which at a minimum provides clearance meeting the requirements of the National Electrical Safety Code.  
It is mutually understood and agreed that this instrument covers all the agreements and stipulations between the parties and that no representation or statements, verbal or written, have been made modifying, adding to or changing the terms hereof.

IN WITNESS WHEREOF, the undersigned has caused this instrument to be duly executed as of the 25<sup>th</sup> day of March, 2009.

Roy Johanson and Ralph Johanson

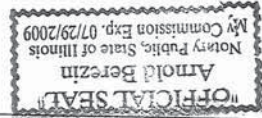
[Signature]  
Roy Johanson

[Signature]  
Ralph Johanson

STATE OF ILLINOIS )  
) ss. COOK  
) COUNTY OF MCHEERY )

MAR 25 2009

The foregoing instrument was acknowledged before me this 25<sup>th</sup> day of March, 2009, by Roy Johanson and Ralph Johanson



[Signature]  
Notary Public

This Instrument was drafted by: BK  
Northern States Power Company d/b/a Xcel Energy  
414 Nicollet Mall, MP-8  
Minneapolis, MN 55401  
Line 0727



KNOW ALL MEN BY THESE PRESENTS, That we, of the County of \_\_\_\_\_,  
in consideration of the sum of Twenty Four Dollars (\$ 24.00)  
Dollars (\$ 30) to us in hand paid by Northern States Power Company, a corporation  
duly organized and existing under the laws of the State of Minnesota, the receipt  
whereof is hereby acknowledged, do hereby grant unto said Company, its successors and assigns,  
the right, privilege and authority to construct, operate and maintain its lines for the transmission of  
electrical energy, including the necessary steel-towers, poles, wires, guys, stubs and other fixtures over,  
across and upon the following described real-estate, now owned by us in the County of \_\_\_\_\_

Moody and State of South Dakota

to-wit: Southeast quarter (S.E. 1/4) except tract  
75 rod square in southeast corner thereof, Section  
Seventeen (17), Township One hundred six (106) N.,  
Range Forty nine (49) W.

It is understood and agreed by and  
between the parties hereto that the center line of  
said transmission line be located not to exceed  
three (3) feet north of highway limits.

LINE 127  
GRANTOR  
RICHTER, A. C. et al  
PAGE 19  
TWP. 106  
SEC. 17

Pipestone-St. Cloud Falls 69  
Richter, A. C. et al

and also hereby grant unto said Company, its successors and assigns, the right, privilege and  
authority to trim ~~or cut down~~ as as to maintain at least 10 feet of clearance from lower wire, and any trees, which may interfere with the construction, maintenance  
and operation of such lines; and do also grant unto said Company, its successors and assigns, the  
right to enter upon the above described premises at any and all times for the purposes above set forth.

IN WITNESS WHEREOF, We have hereunto set our hands and seals this 13  
day of August, A. D. 1937

Witness:  
Richard E. Stratton  
A. Byson  
Ed Hamilton  
Richard Byson  
Lucas Reese  
Marian Staller  
Charles M. Canby  
Corothy Mutens

A. C. Richter (seal)  
Mattie Richter (Seal)  
Laura A. Wicks  
McEwens (Seal)  
Edward H. Richter  
Alice Richter  
Robert W. Richter  
Magazine Richter  
Augusta Richter  
Magazine Richter

NOTARY PUBLIC  
In and for the City and County of  
San Francisco, State of California  
My Commission expires December 31, 1938

My Commission Expires Dec 31, 1938

acknowledged that they executed the same their free act and deed.

his wife, to me known to be the persons described in and who executed the foregoing instrument and

and for said County, personally appeared August L. Richter and Hayme Richter #11.20

On this 27th day of August A. D. 1937

STATE OF California  
County of San Francisco ss.

STATE OF CALIFORNIA  
COUNTY OF SAN FRANCISCO  
I, Notary Public, do hereby certify that the foregoing instrument was duly executed before me on the 27th day of August, 1937, at San Francisco, California, in the presence of Hayme Richter and August L. Richter, who are known to me to be the persons whose names are subscribed to the foregoing instrument, and that they executed the same free of all legal compulsion.

COPIES SENT 2/25/38

ENTERED IN TAX RECORD

ENTERED IN EASEMENT RECORD

ENTERED IN DEED RECORD

CHECKED WITH PLAT

COMPARED

My Commission Expires 8-3-1938

acknowledged that they executed the same their free act and deed.

his wife, to me known to be the person described in and who executed the foregoing instrument and

and for said County, personally appeared Robert W. Richter and Evangeline Richter

On this 23rd day of August A. D. 1937

STATE OF Washington  
County of Pierce ss.

My Commission Expires Nov 28 1940

acknowledged that they executed the same their free act and deed.

his wife, to me known to be the person described in and who executed the foregoing instrument and

and for said County, personally appeared Edward H. Richter and Alice Richter

On this 20th day of August A. D. 1937

STATE OF North Dakota  
County of Cass ss.

My Commission Expires Dec 11-1937

acknowledged that they executed the same their free act and deed.

his wife, to me known to be the persons described in and who executed the foregoing instrument and

and for said County, personally appeared Myrtle Richter, Royce Myrtle Richter and Myrtle Richter

On this 13th day of August A. D. 1937

STATE OF South Dakota  
County of Bennett ss.

My Commission Expires Dec 11-1937

**EXHIBIT C**

**COVENANT TO OBTAIN MORTGAGE RELEASE**

NSPM hereby covenants to OTP pursuant to Section 3.07 of the Asset Purchase Agreement made and entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 2015, by and between NSPM and OTP (the “Asset Purchase Agreement”), as follows:

NSPM shall obtain a release of the Purchased Assets from the Trust Indenture within 120 days of the Closing Date.

**IN WITNESS WHEREOF**, this Covenant has been executed as of the \_\_\_\_\_ day of \_\_\_\_\_, 2015.

NORTHERN STATES POWER COMPANY,  
a Minnesota corporation

By: \_\_\_\_\_

Its: \_\_\_\_\_

**EXHIBIT D**

**MORTGAGE RELEASE FOR PURCHASED ASSETS**

**PARTIAL RELEASE**

**KNOW ALL MEN BY THESE PRESENTS,** That the Bank of New York Mellon Trust Company, N.A., a national banking association, f/k/a Harris Bank and Savings Bank, BNY Midwest Trust Company, and the Bank of New York Trust Company, N.A., as Trustee under and by virtue of The Trust Indenture and Supplemental Indentures hereinafter described, for valuable consideration, receipt whereof is hereby acknowledged, does forever discharge and release the following described property situate in the County of Moody, State of South Dakota, described as follows, to-wit:

Supplemental Trust Indenture dated \_\_\_\_\_, page \_\_\_\_\_, Item \_\_\_\_\_ under \_\_\_\_\_ County

[LEGAL DESCRIPTION]

from all claims and liens of and under that certain Trust Indenture dated February 1, 1937 (“Original Indenture”) from Northern States Power Company to Harris Trust and Savings Bank, now known as The Bank of New York Mellon Trust Company, N.A., a national banking association, which Indenture was restated, amended and supplemented pursuant to the Supplemental Trust Indenture dated May 1, 1988 (“Restated Indenture”), and all additional Indentures supplemental thereto dated:

<u>Document Name</u>	<u>Date of Indenture</u>
Trust Indenture	
Supplemental Trust Indenture	

which Original Indenture, Restated Indenture, and Supplemental Trust Indentures are recorded in the office of the County Recorder, \_\_\_\_\_ County, \_\_\_\_\_, and the recording data for said Original Indenture, Restated Indenture, as well as any Supplemental Trust Indenture which specifically describes any portion of the property hereby released as follows:



On this \_\_\_\_ day of \_\_\_\_\_, 2015, before me, a Notary Public in and for the County and State aforesaid, appeared \_\_\_\_\_ and \_\_\_\_\_, to me personally known, and to me known to be the Vice President and Vice President, respectively, of The Bank of New York Mellon Trust Company, N.A., as Trustee under the Trust Indentures described in the foregoing instrument, and who, being by me duly sworn, severally acknowledged that they signed the foregoing document in the respective capacities identified above on behalf of The Bank of New York Mellon Trust Company, N.A., a national banking association; that the seal affixed to the foregoing instrument is the corporate seal of said corporation; and that said instrument was executed on behalf of said corporation by the authority of its Board of Directors and as the free act and deed of said corporation.

WITNESS MY HAND AND NOTARIAL SEAL this \_\_\_\_ day of \_\_\_\_\_, 2015.

\_\_\_\_\_

Notary Public  
My Commission Expires:

(NOTARIAL SEAL)

THIS INSTRUMENT WAS DRAFTED BY:  
Northern States Power Company  
414 Nicollet Mall, 5<sup>th</sup> Floor  
Minneapolis, MN 55408

**EXHIBIT E**

**NSPM CLOSING CERTIFICATE**

NSPM hereby certifies to OTP pursuant to Section \_\_\_\_\_ of the Asset Purchase Agreement made and entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 2015, by and between NSPM and OTP (the “Asset Purchase Agreement”), as follows:

1. Except as qualified by the applicable Schedules and any Supplements, all of the representations and warranties made by NSPM in the Asset Purchase Agreement are true and correct in all material respects on and as of the date hereof with the same force and effect as though such representations and warranties had been made on or given on and as of the date hereof.

2. NSPM has performed and/or complied with all of its covenants, agreements and obligations under the Asset Purchase Agreement which are to have been respectively performed and complied with by it prior to or on the date hereof.

3. All conditions precedent to Closing specified in Article \_\_\_ and otherwise in the Asset Purchase Agreement have occurred or have been waived prior to or on the date hereof.

4. With respect to all statements used and delivered by NSPM pursuant to Section \_\_\_\_\_ of the Asset Purchase Agreement, NSPM keeps its books and records in conformity with the U.S. Federal Energy Regulatory Commission Uniform System of Accounts as modified and adopted by the U.S. Rural Utilities Service, that the OTP payment has been calculated in accordance with the Asset Purchase Agreement and that all values are based on amounts that appear on the books of NSPM.

5. Capitalized terms not otherwise defined herein shall have the meaning set forth in the Asset Purchase Agreement.

**[SIGNATURE PAGE FOLLOWS]**

**IN WITNESS WHEREOF**, this Closing Certificate has been executed as of the \_\_\_\_\_ day of \_\_\_\_\_, 2015.

NORTHERN STATES POWER COMPANY,  
a Minnesota corporation

By: \_\_\_\_\_

Its: \_\_\_\_\_

**[SIGNATURE PAGE TO CLOSING CERTIFICATE]**



**EXHIBIT F**

**OTP CLOSING CERTIFICATE**

OTP hereby certifies to NSPM pursuant to Section \_\_\_\_\_ of the Asset Purchase Agreement made and entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 2015, by and between NSPM and OTP (the “Asset Purchase Agreement”), as follows:

1. Except as qualified by the applicable Schedules and any Supplements, all of the representations and warranties made by OTP in the Asset Purchase Agreement are true and correct in all material respects on and as of the date hereof with the same force and effect as though such representations and warranties had been made on or given on and as of the date hereof.

2. OTP has performed and/or complied with all of its covenants, agreements and obligations under the Asset Purchase Agreement which are to have been respectively performed and complied with by it prior to or on the date hereof.

3. All conditions precedent to Closing specified in Article \_\_\_\_ and otherwise in the Asset Purchase Agreement have occurred or have been waived prior to or on the date hereof.

4. With respect to all statements used and delivered by OTP pursuant to Section \_\_\_\_\_ of the Asset Purchase Agreement, OTP keeps its books and records in conformity with the U.S. Federal Energy Regulatory Commission Uniform System of Accounts as modified and adopted by the U.S. Rural Utilities Service, that the OTP payment has been calculated in accordance with the Asset Purchase Agreement and that all values are based on amounts that appear on the books of NSPM.

5. Capitalized terms not otherwise defined herein shall have the meaning set forth in the Asset Purchase Agreement.

**[SIGNATURE PAGE FOLLOWS]**

**IN WITNESS WHEREOF**, this Closing Certificate has been executed as of the \_\_\_\_\_ day of \_\_\_\_\_, 2015.

OTTER TAIL POWER COMPANY,  
a Minnesota corporation

By: \_\_\_\_\_

Its: \_\_\_\_\_

**[SIGNATURE PAGE TO CLOSING CERTIFICATE]**

**SCHEDULE 1.1**  
**PURCHASE PRICE**

NSPM's net book value of Purchased Assets as of the Closing Date minus (-) \$40,000 for OTP to remove NSPM's circuit from Purchased Assets equals (=) purchase price.

**SCHEDULE 1.2**  
**WIRE INSTRUCTIONS FOR PURCHASE PRICE**

<b>Electronic Transfer:</b>
<b>Northern States Power Company MN</b>

**SCHEDULE 1.3**  
FILINGS, PERMITS, AUTHORIZATIONS AND CONSENTS

As to NSPM:

- None.

As to OTP:

- Final Order of MPUC approving OTP's acquisition of the Purchased Assets.
- Final Order of FERC authorizing OTP's acquisition of the Purchased Assets.

**SCHEDULE 1.4**  
**LIENS, MORTGAGES, AND ENCUMBRANCES**

As to NSPM:

- The Trust Indenture and Supplemental Indentures from NSPM to Bank of New York Mellon Trust Company, N.A.

As to OTP:

- None

**SCHEDULE 1.5**  
**PURCHASED ASSETS INFORMATION**

Section 5.05 The Purchased Assets are in good condition, adequate for their intended use, and not in need of any material maintenance or repair.

Section 5.06 The Purchased Assets are not subject to any operating contract.

Section 5.07 The Purchased Assets are not subject to any permit, license, franchise, or similar authorization or approval obtained from a Governmental Body.

Sections 5.08  
and 5.10 The Purchased Assets are not the subject of any claim, action, suit, proceeding, or governmental investigation.

**SCHEDULE 1.6**  
**LIST OF ASSIGNED EASEMENTS**

1. Document number 261
2. Document number 262
3. Document number 263
4. Document number 264
5. Document number 0267
6. Document number 268
7. Document number 269
8. Document number 0301
9. Document number 090730
10. Document number 090731
11. Document number 090732
12. Document number 090733
13. Document number 090734
14. Document number 090772





R745 CR# 056690                      FACE SHEET                      WO NUMBER                      \*\*\*HELP\*\*\*    12-21-15  
 DESC MATERIAL TEST  
 SPONSOR G O DELIVERY  
 PRIMARY CREW 141    RATE            40.00  
 OTHER CREW        62  
 LOCATION    ROSHOLT                      SD

	TOTAL ESTIMATE	CAPITAL BUDGET
1 MATERIAL . . . . .	.00	.00
2 LABOR (LOADED) (        427.57 )HRS	28,099.89	28,099.89
3 VEHICLE . . . . .	8,551.20	8,551.20
4 MEALS, LODGING, OTHER COSTS	594.00	594.00
	-----	-----
5 SUBTOTAL (1+2+3+4) . . . . .	37,245.09	37,245.09
6 EXEMPT MATERIAL	.00	
7 SALVAGE MATERIAL . . . . .	-312.28	-312.28
8 A & G COSTS( 16.2 ) . . . . .	4,552.18	4,552.18
9 WAREHOUSING COST( 27.0 ). . . . .	84.31	84.31
10 NET COST(5+6+7+8+9	41,569.30	41,569.30
11 BUDGET ITEM NUMBER		

NEXT TRAN R745                      NEXT CR 56690

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Christopher	Anderson	canderson@alliate.com	Minnesota Power	30 W Superior St Duluth, MN 558022191	Electronic Service	No	OFF_SL_16-441_16-441
Thomas R	Brause	tbrause@otpc.com	Otter Tail Power Company	PO Box 496 215 S Cascade St Fergus Falls, MN 56538-0496	Electronic Service	No	OFF_SL_16-441_16-441
Mark B.	Bring	mbring@otpc.com	Otter Tail Power Company	215 South Cascade Street PO Box 496 Fergus Falls, MN 565380496	Electronic Service	No	OFF_SL_16-441_16-441
Ray	Choquette	rchoquette@agp.com	Ag Processing Inc.	12700 West Dodge Road PO Box 2047 Omaha, NE 68103-2047	Electronic Service	No	OFF_SL_16-441_16-441
James C.	Erickson	jericksonkbc@gmail.com	Kelly Bay Consulting	17 Quechee St Superior, WI 54880-4421	Electronic Service	No	OFF_SL_16-441_16-441
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 500 Saint Paul, MN 551012198	Electronic Service	No	OFF_SL_16-441_16-441
Bruce	Gerhardson	bgerhardson@otpc.com	Otter Tail Power Company	PO Box 496 215 S Cascade St Fergus Falls, MN 565380496	Electronic Service	No	OFF_SL_16-441_16-441
Shane	Henriksen	shane.henriksen@enbridge.com	Enbridge Energy Company, Inc.	1409 Hammond Ave FL 2 Superior, WI 54880	Electronic Service	No	OFF_SL_16-441_16-441
James D.	Larson	james.larson@avantenergy.com	Avant Energy Services	220 S 6th St Ste 1300 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_16-441_16-441
Douglas	Larson	dlarson@dakotaelectric.com	Dakota Electric Association	4300 220th St W Farmington, MN 55024	Electronic Service	No	OFF_SL_16-441_16-441
John	Lindell	agorud.ecf@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012130	Electronic Service	No	OFF_SL_16-441_16-441

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Kavita	Maini	knaini@wi.rr.com	KM Energy Consulting LLC	961 N Lost Woods Rd Oconomowoc, WI 53066	Electronic Service	No	OFF_SL_16-441_16-441
Andrew	Moratzka	andrew.moratzka@stoel.com	Stoel Rives LLP	33 South Sixth St Ste 4200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_16-441_16-441
Gary	Oetken	goetken@agp.com	Ag Processing, Inc.	12700 West Dodge Road P.O. Box 2047 Omaha, NE 681032047	Electronic Service	No	OFF_SL_16-441_16-441
Larry L.	Schedin	Larry@LLSResources.com	LLS Resources, LLC	332 Minnesota St, Ste W1390 St. Paul, MN 55101	Electronic Service	No	OFF_SL_16-441_16-441
Stuart	Tommerdahl	stommerdahl@otpc.com	Otter Tail Power Company	215 S Cascade St PO Box 496 Fergus Falls, MN 56537	Electronic Service	No	OFF_SL_16-441_16-441
Daniel P	Wolf	dan.wolf@state.mn.us	Public Utilities Commission	121 7th Place East Suite 350 St. Paul, MN 551012147	Electronic Service	No	OFF_SL_16-441_16-441