



**Item 8.01 Other Events**

On July 13, 2012 Otter Tail Corporation, a Minnesota corporation (the “Company”), prepaid in full its outstanding \$50,000,000 Senior Note due November 30, 2017 (the “Cascade Note”) issued pursuant to the Note Purchase Agreement dated as of February 23, 2007 (as amended, the “Note Purchase Agreement”) between the Company (as assignee of Otter Tail Power Company, formerly known as Otter Tail Corporation) and Cascade Investment, L.L.C. (“Cascade”). Immediately before the prepayment, the Cascade Note bore interest at 8.89% annually.

The price paid by the Company to prepay the Cascade Note was \$63,030,931, which includes the principal amount of the Cascade Note, plus accrued interest to July 13, 2012 of \$530,931 and a negotiated premium of \$12,500,000 (which is less than the premium the Company would have been required to pay under the terms of the Note Purchase Agreement). The Company used funds drawn on its existing credit facility to fund the prepayment.

Cascade owned approximately 9.6% of the Company’s outstanding Common Shares on December 31, 2011.

**Signature**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

OTTER TAIL CORPORATION

Date: July 16, 2012

By /s/ Kevin G. Moug  
Kevin G. Moug  
Chief Financial Officer