

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

**Otter Tail Power Company
Advance Prudence – Advanced Metering Infrastructure
Application**

Case No. PU-21-83

ORDER

September 22, 2021

Preliminary Statement

On February 15, 2021, Otter Tail Power Company (OTP) filed an application for an Advance Determination of Prudence for the company's proposed investments in a demand response system based on advanced metering (known as Advanced Metering Infrastructure or AMI). OTP believes AMI will improve reliability, enhance customer control and save money on meter reading logistics.

On May 5, 2021, the Commission issued a Notice of Opportunity for Hearing (Notice), which provided until June 19, 2021, for receiving written comments and hearing requests. No response or request for hearing was received.

The Notice identified the following issues to be considered:

1. Whether OTP's proposed resource addition is prudent.
2. Whether the Commission should grant OTP an advanced determination of prudence.

On August 18, 2021, the Commission discussed this matter with OTP and commission staff during an informal hearing.

Discussion

OTP is an investor-owned public utility providing electric service to customers in North Dakota under the regulatory jurisdiction of the Commission. OTP provides electric generation, transmission and distribution service to approximately 59,000 customers in North Dakota.

OTP's AMI is expected to save OTP North Dakota customers approximately \$19M over the 20-year life of the project. The savings are expected to be generated from elimination of the need for manual meter readings and the enhancements it would provide to its demand response program.

AMI is a key component in maintaining and expanding OTP's demand response programs and time-differentiated rate options. Expanding these programs and options will allow OTP to reduce overall system energy and capacity costs for customers.

The Commission finds OTP's AMI is prudent.

Therefore, the Commission issues its:

Order

The Commission Orders Otter Tail Power Company's application for an advance determination of prudence for its advanced metering infrastructure is GRANTED.

PUBLIC SERVICE COMMISSION



Randy Christmann
Commissioner



Julie Fedorchak
Chair



Brian Kroshus
Commissioner