

**STATE OF NORTH DAKOTA**  
**PUBLIC SERVICE COMMISSION**

**Otter Tail Power Company  
AMDT Cost Recovery 2024  
Rates**

**Case No. PU-23-283**

**ORDER**

**November 29, 2023**

**Preliminary Statement**

On August 1, 2023, Otter Tail Power Company (OTP) filed an application for approval of its Annual Rate Update to the Advanced Metering & Distribution Technology Cost Recovery Rider (AMDT Rider) for 2024.

On September 6, 2023, the Commission suspended the rates and issued a Notice of Opportunity for Hearing providing until October 20, 2023, to receive comments or requests for hearing. No comments or requests for hearing were received.

The Notice stated that the issues to be considered in this proceeding are:

1. Do the investments and associated costs qualify for recovery?
2. Whether the rate adjustments are consistent with the terms of OTP's tariff?
3. Are the proposed rates just and reasonable?

The Notice stated that, if deemed appropriate, the Commission can determine the matter without a hearing.

On September 25, 2023, Commission Staff filed a Memorandum regarding OTP's application.

On September 27, 2023, the Commission held an Informal Hearing to discuss the application with OTP.

On November 2, 2023, OTP filed a supplemental filing to the August 1, 2023, initial filing to update the Advanced Metering Infrastructure (AMI) project timeline and its impacts and to change the AMDT Rider to reflect the proposed recovery in Case No. PU-23-342, OTP 2023 Electric Rate Increase. In this supplemental filing, OTP also proposes to change the name of the proposed tariff from Advanced Metering and Distribution Technology Cost Recovery Rider to Metering & Distribution Technology (MDT) Cost Recovery Rider.

## Discussion

The proposed MDT Cost Recovery Rider permits OTP to recover the costs, expenses, and a return on its investments in AMI and Demand Response (DR).

OTP proposes a \$1,297,973 revenue requirement to be collected from customers over the January 1, 2024, through December 31, 2024, recovery period, a decrease from the previous year's revenue requirement of \$3,062,505. The decrease in the revenue requirement is primarily due to project delays stemming from challenges with integrating software systems for the implementation of AMI. The proposed recovery would be a fixed per meter charge based on the cost of the type of meter needed for each class of service. The proposed monthly charge would be \$0.73 for a standard residential meter and up to \$21.07 for a large general service transmission meter.

The revenue requirement calculation includes costs of \$3,695,718 for AMI, and \$269,360 for DR. The calculation also includes credits of \$563,670 for operations and maintenance savings and \$88,851 for carrying charges through 2024 and a true-up of \$2,014,584.

Due to the fixed nature of the proposed charge, all standard residential customers would see a decrease of \$0.98 per month from the previous year's per month rate of \$1.71.

## Order

The Commission Orders:

Otter Tail Power Company's Metering & Distribution Technology Cost Recovery Rider tariff and rates, filed on November 2, 2023, are approved.

## PUBLIC SERVICE COMMISSION

  
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Sheri Haugen-Hoffart  
Commissioner

  
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Randy Christmann  
Chair

  
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Julie Fedorchak  
Commissioner