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AUG 22 2023

NORTH DAKOTA
PUBLIC SERVICE COMMISSION



August 17, 2023

Mr. Steve Kahl
Director of Administration/Executive Secretary
North Dakota Public Service Commission
State Capitol
600 East Boulevard, Dept. 408
Bismarck, ND 58505-0408

**RE: In the Matter of Otter Tail Power Company's Application for Approval
of Administrative Tariff Changes in Rate Schedules 14.02 and 14.03
Case No. PU-23-
Initial Filing**

Dear Mr. Kahl:

Otter Tail Power Company (Otter Tail) hereby submits to the North Dakota Public Service Commission (Commission) its Application for approval of administrative tariff changes.

An original and copies have been sent to you via USPS.

Please contact me at (218) 739-8799 or sfedje@otpco.com if you have any questions regarding this filing.

Sincerely,

A handwritten signature in blue ink, appearing to read "S Fedje", is written over the typed name.

Svetlana Fedje
Pricing Analyst
Regulatory Economics

lcd
Enclosures
By electronic filing and U.S. mail

1 **PU-23-290** Filed: 8/17/2023 Pages: 10
**Administrative Tariff Changes in Rate Schedules
14.02 and 14.03**

Otter Tail Power Company

Svetlana Fedje

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

**In the Matter of Otter Tail Power
Company's Application for Approval
of Administrative Tariff Changes in the
Rate Schedules 14.02 and 14.03**

**Case No. PU-23-
APPLICATION**

I. INTRODUCTION

Otter Tail Power Company (Otter Tail) submits this Application to the North Dakota Public Service Commission (Commission) for approval of the Tariff Changes in the Rate schedules 14.02 and 14.03 by closing the rates that are using Real Time Pricing and System Marginal Energy Pricing to new customers. This change is necessary to allow Otter Tail time to create new methodology for Real Time and System Marginal Energy Pricing. We would like to avoid the potential situation where a customer takes this rate and then the methodology changes. These changes affect no current customers and relate to bill processing and administration. Therefore, a determination of Otter Tail's gross revenue requirements is not necessary in determining the reasonableness the proposed changes.

II. GENERAL FILING INFORMATION

Pursuant to § 69-02-02-04 of the Commission's Rules of Practice and Procedure, the following information is provided:

A. Name, address, and telephone number of the utility making the filing

Otter Tail Power Company
215 South Cascade Street
P.O. Box 496
Fergus Falls, MN 56538-0496
Phone (218) 739-8200

B. Name, address, and telephone number of utility attorney

Cary Stephenson
Associate General Counsel
Otter Tail Power Company
215 South Cascade Street
P.O. Box 496
Fergus Falls, MN 56538-0496
Phone (218) 739-8956

C. Title of utility employee responsible for filing

Svetlana Fedje
Pricing Analyst
Regulatory Economics
Otter Tail Power Company
215 South Cascade Street
P.O. Box 496
Fergus Falls, MN 56538-0496
(218) 739-8799
sfedje@otpc.com

We request that all communications regarding this proceeding, including data request, also be directed to:

Regulatory Filing Coordinator
Otter Tail Power Company
215 South Cascade Street
P.O. Box 496
Fergus Falls, MN 56538-0496
regulatory_filing_coordinators@otpc.com

D. The date of filing and the date changes will take effect

The date of this filing is August 17, 2023. Otter Tail proposes an effective date of October 1, 2023 for the updated Tariffs.

E. Other requirements of North Dakota Rules Part 69-02-02-04

Pursuant to N.D. Admin. Code § 69-02-02-04, a certified copy of Otter Tail's articles of incorporation is on file with the Commission in Case No. PU-09-677 and a current certificate of good standing is on file with the Commission in Case No. PU-23-39. The certificate and amendments are hereby incorporated by reference.

F. Customer Notification

The changes proposed in this filing are administration in nature, no customer notice is required.

G. Reason for the Proposed Changes

The proposed changes are necessary for the future implementation of a new Real Time and System Marginal Pricing Methodology. We are asking to close these rates to new customers to avoid customer confusion, uncertainty and continuity of the current methodology versus the pending proposed methodology.

H. Number of Customers Affected

The proposed changes do not affect any of Otter Tail's current North Dakota customers.

III. BACKGROUND

A. Background of the current software

The current software application in use is a customized workstation application designed to calculate hourly prices.

Otter Tail's hourly pricing methodology and software application has been in place for nearly 30 years. The current system will be decommissioned in late 2025.

B. Proposed Changes to Otter Tail General Rate Schedules 14.02 & 14.03

Included with this filing as Attachment 1 are legislative and non-legislative versions of the tariff sheets detailing the proposed changes. Changes are administrative in nature, as described below.

- 14.02 adds the "CLOSED TO NEW CUSTOMERS" in the tariff box for each voltage level.
- 14.03 adds the "CLOSED TO NEW CUSTOMERS" in the tariff box for System Marginal Energy Pricing rates.

IV. CONCLUSION

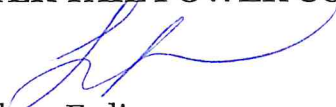
Otter Tail does not have an approximate date for the new methodology proposal, but we expect it to occur before Q2 2025. We are asking to add "CLOSED TO NEW CUSTOMERS" until we have the developed methodology, which will be presented in a separate filing for Commissions approval.

Date: August 17, 2023

Respectfully submitted,

OTTER TAIL POWER COMPANY

By:


Svetlana Fedje
Pricing Analyst
Regulatory Economics
215 South Cascade Street
P.O. Box 496
Fergus Falls, MN 56538-0496
Phone (218) 739-8799

Attachment 1

Legislative and Non-Legislative Versions

Real Time Pricing Rider – Electric Rate Schedule 14.02

Large General Service Rider – Electric Rate Schedule 14.03

REAL TIME PRICING RIDER

DESCRIPTION	RATE CODE
Transmission Service- CLOSED TO NEW CUSTOMERS	N660
Primary Service- CLOSED TO NEW CUSTOMERS	N662
Secondary Service- CLOSED TO NEW CUSTOMERS	N664

RULES AND REGULATIONS: Terms and condition of this tariff and the General Rules and Regulations govern use of this schedule.

AVAILABILITY: This rider is available on a voluntary basis to Customers who have maintained a measured Demand of at least 200 kW during the historical period used for Customer Baseline Load (CBL) development. Priority will be established based on the date that an agreement is executed by both the Customer and the Company.

MANDATORY AND VOLUNTARY RIDERS: The amount of a bill for service will be modified by any Mandatory Rate Riders that must apply or Voluntary Rate Riders selected by the Customer, unless otherwise noted in this rider. See Sections 12.00, 13.00 and 14.00 of the North Dakota electric rates for the matrices of riders.

ADMINISTRATIVE CHARGE: An Administrative Charge in the amount of \$282.00 will be applied to each monthly bill to cover billing, administrative, metering, and communication costs associated with real-time pricing, plus any other applicable tariff charges.

TYPE OF SERVICE: Three-phase, 60 hertz at any available Standard Voltage.

TERM OF SERVICE: Service under this rider shall be for a period not less than one year. The Customer shall take service under this rider by either signing a new electric service agreement with the Company or by entering into amendments of existing electric service agreements. A Customer who voluntarily cancels service under this rider is not eligible to receive service again under this rider for a period of one year.



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NORTH DAKOTA PUBLIC
SERVICE COMMISSION
Case No. PU-23-
Approved by order dated

EFFECTIVE with bills rendered on
and after , in North Dakota

APPROVED: Bruce G. Gerhardson
Vice President, Regulatory Affairs

LARGE GENERAL SERVICE RIDER

DESCRIPTION	Option 1	Option 2
Fixed Rate Energy Pricing	N648	N649
System Marginal Energy Pricing- CLOSED TO NEW CUSTOMERS	N642	N645
Short-term Marginal Capacity Purchases	N643	N646
Short-term Marginal Capacity Releases	N644	N647

RULES AND REGULATIONS: Terms and conditions of this tariff and the General Rules and Regulations govern use of this schedule.

AVAILABILITY: This rider is available at the request of Customers who take service under the rate schedules listed in the Application Section of this tariff and have either (**Option 1**) a metered Demand of at least 1 MW, or (**Option 2**) a Total Coincident Demand of at least 10 MW for multiple, non-contiguous facilities that function in series.

MANDATORY AND VOLUNTARY RIDERS: The amount of a bill for service will be modified by any Mandatory Rate Riders that must apply or Voluntary Rate Riders selected by the Customer, unless otherwise noted in this rider. See Sections 12.00, 13.00 and 14.00 of the North Dakota electric rates for the matrices of riders.

ELECTRIC SERVICE AGREEMENT: For service under this Rider, the Company may, at its discretion, require a written electric service agreement (ESA) between the Company and the Customer that sets forth, among other things, the Customer's Billing Demand, Firm Demand, On-Peak Baseline Demand and Off-Peak Baseline Demand.

FIXED RATE ENERGY PRICING:

Background: Certain Company industrial and commercial Customers have ESAs that designate, among other things, a Billing Demand, On-Peak and Off-Peak Baseline Demands and a Firm Demand. With On-Peak and Off-Peak Baseline Demands, the Company agrees to provide and the Customer agrees to purchase all of its Energy requirements at rates set forth in the Customer's applicable rate schedule and/or a negotiated rate subject to Commission approval. Setting a Firm and Baseline Demands benefits both the Company and the Customer. With Firm Demands, the Company is able to curtail participating Customers' load to predetermined levels which allows the Company to more accurately forecast its native load Capacity and Energy requirements. Baseline Demands assure the Customer a fixed price for Energy up to the Baseline Demand and the ability to purchase Energy above the Baseline Demand at rates set forth in the Customer's applicable rate schedule and/or a negotiated Energy rate subject to Commission approval.



LARGE GENERAL SERVICE RIDER

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Fixed Rate Energy Pricing	N648	N649
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