

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

Otter Tail Power Company
Metering & Distribution Tech Cost Recovery Rider
Tariff and Rates

Case No. PU-24-307

ORDER

December 18, 2024

Preliminary Statement

On August 1, 2024, Otter Tail Power Company (OTP) filed a request for approval of its Advanced Metering & Distribution Tech Cost Recovery (AMDT) Rider Rate for 2025. The purpose of the AMDT Rider is to recover the costs associated with advanced metering infrastructure, demand response, and the outage management system not presently reflected in retail rates from OTP North Dakota customers.

On September 27, 2024, the Commission suspended the rates and issued a Notice of Opportunity for Hearing providing until November 11, 2024, 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. Are the rate adjustments 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.

Discussion

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

OTP proposes a \$1,689,187 revenue requirement to be collected from customers over the January 1, 2025, through December 31, 2025, recovery period, an increase from the previous year's revenue requirement of \$1,343,205. The increase in the revenue requirement is primarily due to an over \$1 million increase in the prior-year true-up. 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 \$1.07

for a standard residential meter and up to \$59.03 for a large general service transmission meter.

The revenue requirement calculation includes costs of \$4,803,725 for AMI and \$153,895 for DR. The calculation also includes credits of \$2,236,931 for operations and maintenance savings, \$41,752 for carrying charges through 2025 and a true-up of \$989,750.

Due to the fixed nature of the proposed charge, all standard residential customers would see an increase of \$0.34 per month from the previous year's per month rate of \$0.73.

Order

The Commission Orders:

Otter Tail Power Company's Metering & Distribution Technology Cost Recovery Rider tariff and rates, filed on August 1, 2024, are approved.

PUBLIC SERVICE COMMISSION

		
<u>Sheri Haugen-Hoffart</u>	<u>Randy Christmann</u>	<u>Julie Fedorchak</u>
Sheri Haugen-Hoffart Commissioner	Randy Christmann Chair	Julie Fedorchak Commissioner