

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

**Otter Tail Power Company
AMDT Cost Recovery 2026
Rates**

Case No. PU-25-232

ORDER

December 17, 2025

Preliminary Statement

On August 1, 2025, Otter Tail Power Company (OTP) filed a request for approval of its Metering & Distribution Technology Cost Recovery Rider (AMDT Rider) Rate for 2026. The purpose of the AMDT Rider is to recover the costs associated with advanced metering infrastructure and demand response not presently reflected in retail rates from OTP North Dakota customers.

On September 10, 2025, the Commission issued a Notice of Opportunity for Hearing providing until October 25, 2025, to receive comments or requests for hearing.

On November 6, 2025, the Commission held an Informal Hearing to discuss the application with OTP.

On November 7, 2025, the Commission issued an updated Notice of Opportunity for Hearing providing until December 15, 2025, 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 November 7, 2025, Notice of Opportunity for Hearing stated that, if deemed appropriate, the Commission can determine the matter without a hearing.

On November 13, 2025, OTP submitted a supplemental filing with the rates and details discussed during the November 6, 2025, Informal 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 \$3,713,702 revenue requirement to be collected from customers over the January 1, 2026, through December 31, 2026, recovery period, an increase from the previous year's revenue requirement of \$1,689,187. The \$2,024,515 increase in the revenue requirement is due to a combination of a \$1,116,652 increase to the annual true-up plus \$460,937 related to the AMI and \$667,098 related to the DR implementations plus a \$43,042 increase in carrying charges. This is partially offset by a \$263,214 improvement to the O&M savings. 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 \$2.28 for a standard residential meter and \$117.14 for a large general service transmission meter.

The revenue requirement calculation includes total costs of \$5,264,662 for AMI and \$820,993 for DR. The calculation also includes credits of \$2,500,145 for operations and maintenance savings and additional charges of \$1,290 for carrying charges through 2026 and a true-up of \$126,902.

Due to the fixed nature of the proposed charge, all standard residential customers would see an increase of \$1.21 per month from the previous year's monthly rate of \$1.07.

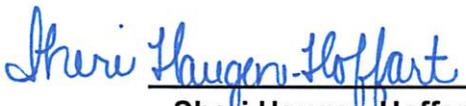
The Commission has reviewed the documents and evidence in this proceeding and finds that the investments and associated costs qualify for recovery, the proposed rate adjustments comply with the terms of OTP's tariff, and the proposed rates are just and reasonable.

Order

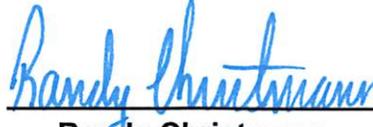
The Commission Orders:

Otter Tail Power Company's AMDT Cost Recovery 2026, rates, filed on November 13, 2025, are approved.

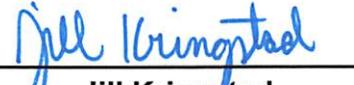
PUBLIC SERVICE COMMISSION



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