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November 19, 2021



Ms. Patricia Van Gerpen, Executive Director
South Dakota Public Utilities Commission
State Capitol Building
500 East Capitol Avenue
Pierre, SD 57501-5070

**RE: In the Matter of Otter Tail Power's Proposal for a Residential Time of Day Pilot Plan
Docket No. EL21-
PILOT UPDATE & REQUEST TO DELAY PILOT**

Dear Ms. Van Gerpen:

Otter Tail Power Company (Otter Tail) hereby submits to the South Dakota Public Utilities Commission a request to remove the Residential Time of Day Pilot (Residential Pilot), Rate Schedule 9.04, due to a change in its Otter Tail's automated metering infrastructure (AMI) deployment strategy/schedule.

Background of Residential Pilot

Otter Tail proposed and received approval of its Residential Pilot in Case EL18-021, effective August 1, 2019. This was the second of three jurisdictional Residential Pilot approvals.¹ No customers have taken service on Rate Schedule 9.04.

Otter Tail's initial plan for the Residential Pilot was to secure approvals in all three jurisdictions to deploy three simultaneously pilots. This approach would leverage pilot resources and obtain feedback from each jurisdiction to achieve the following objectives:² 1) Learn from and Respond to Customers, 2) Assess System Costs and Revenues, and 3) Inform Future AMI investments. The latter objective was hindered due not attaining timely and consistent pilot approvals in all jurisdictions.

¹ The first approval in North Dakota Case PU-17-398, effective February 2019. The last of the three required approvals was in Minnesota Docket E017/M-20-331, but it did not occur as intervening parties did not support Otter Tail's proposal.

² EL18-021, Prazak Direct Testimony, pp. 51-56.

Rate Schedule/Pilot Delay and Proposed Schedule

Otter Tail requests to remove its Rate Schedule 9.04 and delay in the further development of the pilot to coincide with a successful deployment of our proposed AMI Project, which Otter Tail is seeking approval of in other jurisdictions.³ These AMI Project proposals have identified various stages of the project. Phase 1 (i.e., Vendor partnership) has already started – but more importantly –Phase 3 describes full deployment from Q1 2023 to Q4 2024.

The rationale for the Residential TOD pilot delay considers the pilot customers' experience (potential risks) and timeliness of needed pilot infrastructure, which includes having the new AMI infrastructure in place. Our initial plan was to utilize an existing AMI-type platform which would assist in achieving the pilot objectives. Unfortunately, the initial proposed platform is no longer viable. Regarding the pilot customer's experience concerns, the most concerning are the potential risks of rolling out a pilot prior to a proof of concept of the new AMI system. Otter Tail believes the success of a Residential TOD pilot is directly linked to successful AMI deployment. Additional Residential TOD Pilot infrastructure would include customer access to an informational portal.

Otter Tail proposes the following:

- Remove the Residential Time of Day Rate Section 9.04.
- File a new Residential TOD proposal by the end of Q3 2023. The filing will discuss similar pilot elements as discussed in EL18-021 and include any new updates/technologies as the AMI Project progresses.

Otter Tail requests approval of our proposal and looks forward to discussing this matter further.

If you have any questions regarding this filing, please contact me at 218-739-8595 or at dprazak@otpc.com.

Sincerely,

/s/ DAVID G. PRAZAK
David G. Prazak, Supervisor, Pricing
Regulatory Administration

vjm
By electronic filing

³ In Minnesota (pending approval), E017-M-21-382 filed June 6, 2021. In the Matter of Otter Tail Power Company's Petition to Implement Electric Utility Infrastructure Cost Recovery Rider for Advanced Metering Infrastructure / Outage Management System / Demand Response System, Rate Schedule 13.11. In North Dakota, Case No. PU-21-83 – Advanced Prudence – AMI - was filed on February 15, 2021 and approved on September 22, 2021.