

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

**IN THE MATTER OF OTTER TAIL POWER
COMPANY'S PETITION FOR APPROVAL OF
RATE SCHEDULE, SECTION 13.09, PHASE-
IN RIDER**

**ORDER APPROVING
PHASE-IN RIDER FACTORS**

EL24-020

On June 3, 2024, the South Dakota Public Utilities Commission (Commission) received a Petition by Otter Tail Power Company (Otter Tail) for approval of its annual update to its Phase-in Rate Plan Rider. Otter Tail makes this filing pursuant to SDCL 49-34A-73 through 49-34A-78. In this filing, Otter Tail proposes to adjust the Phase-in Rate Plan Rider Rate to reflect the applicable rider revenue requirements for the next recovery period (September 2024 – August 2025), to recover actual and forecasted costs for the Astoria Station Natural Gas Plant project, Merricourt Wind Project, the Ashtabula III Wind Farm Purchase, forecasted net benefits associated with additional load in the Lake Norden area, and net savings associated with Otter Tail's retirement of its Hoot Lake Plant. The filing also includes updates to Otter Tail's Advanced Grid Infrastructure per meter charge rider. Otter Tail proposes four new projects in the filing with the Langdon, Ashtabula I, Luverne, and Ashtabula III wind repowering projects. Otter Tail states a typical residential electric customer using an average of 1,000 kWh per month will see an increase of \$7.98 per month. A large general service customer using 486 kW and 222,350 kWh per month will see an increase of \$1,018.25 per month. Otter Tail proposes an effective date of September 1, 2024.

On June 6, 2024, the Commission electronically transmitted notice of the filing and the intervention deadline of June 21, 2024, to interested persons and entities on the Commission's PUC Weekly Filings electronic listserv. No petitions to intervene or comments were filed. On July 31, 2024, Otter Tail submitted a Supplemental Filing that included project updates to more recent actual costs and updated forecasts and made various corrections, including the capacity factor for the Merricourt Wind Project. With these changes, Otter Tail states a typical residential electric customer using an average of 1,000 kWh per month will see an increase of \$4.14 per month from current rates. A large general service customer using 486 kW and 222,350 kWh per month will see an increase of \$518.76 per month from current rates. On August 21, 2024, Commission staff filed a memorandum. The tariff sheets effective for service rendered on September 1, 2024, and through August 31, 2025, are as follows:

South Dakota P.U.C. Volume II - Electric Rate Schedule

Section 13.09

Fifth Revised Sheet No. 1

Third Revised Sheet No. 2

Second Revised Sheet No. 3

Cancelling Fourth Revised Sheet No. 1

Cancelling Second Revised Sheet No. 2

Cancelling First Sheet No. 3

The Commission has jurisdiction over this matter pursuant to SDCL Chapter 49-34A, specifically 49-34A-4, 49-34A-6, 49-34A-8, 49-34A-10, 49-34A-12, and 49-34A-73 through 49-34A-78.

At its regularly scheduled meeting on August 27, 2024, the Commission considered this matter. Commission staff recommended approval of Otter Tail's request, as submitted in its

Supplemental Filing, for approval of a revenue requirement of \$3,216,072 for the September 1, 2024, through August 31, 2025, plan year and a 10.502 "percent of bill" phase-in rider factor and revised per meter rate charges as provided in Otter Tail's Supplemental Filing, effective September 1, 2024. Finding the request to be just and reasonable, the Commission voted unanimously to approve Otter Tail's request for revised phase-in rider rates as recommended by Commission staff. It is therefore

ORDERED, that the revenue requirement as provided in Otter Tail's Supplemental Filing and resulting phase-in rider factor of 10.502 percent of base rates is hereby approved. It is further

ORDERED, that the revised phase-in rider per meter charges outlined in the above-referenced tariff sheets are hereby approved. It is further

ORDERED, that the above-referenced tariff sheets are hereby approved effective September 1, 2024.

Dated at Pierre, South Dakota, this 29th day of August 2024.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, electronically or by mail.

By: *Kristie Fiegen*

Date: 29 Aug 2024

BY ORDER OF THE COMMISSION:

Kristie Fiegen

KRISTIE FIEGEN, Chairperson

Gary Hanson

GARY HANSON, Commissioner

Chris Nelson

CHRIS NELSON, Commissioner