

The Commission met on **Thursday, July 7, 2022** with Chair Sieben and Commissioners Schuerger, Sullivan, and Tuma present.

The following matters were taken up by the Commission:

E-017/M-20-331

In the Matter of In the Matter of the Petition of Otter Tail Power Company (Otter Tail) for a Residential Time of Day Pilot

Commissioner Sullivan moved that the Commission:

Approve Otter Tail's request to close the current docket and grant a delay in Otter Tail's requirement to file a Residential Time of Day to the end of Q2 2023. The filing shall discuss similar pilot elements in this docket and any new updates/technologies as the AMI system progresses. The filing will discuss deployment of the Residential TOD Pilot and involve other interested parties prior to the Q2 2023 Residential TOD proposal to better address areas of concerns during the development.

The motion passed 4—0.

E-017/M-21-382

In the Matter of In the Matter of Otter Tail Power's Petition to Implement Tracker Recovery for Advanced Metering Infrastructure, Outage Management System, and Demand Response System

Commissioner Tuma moved that the Commission:

1. Approve Otter Tail's requested EUIC Tracker, as modified below.
2. Approve Advanced Metering Infrastructure project for Tracker recovery based on the costs included in Attachments 8-15 of Otter Tail Power's reply comments. Require OTP to show external legal and consulting costs are specific to the AMI project and qualify to be capitalized under Generally Accepted Accounting Principles. If no agreement is reached within 30 days with the Department, the company can file for resolution of what is the appropriate incremental External Legal and Consulting Costs for this year and future years in their next EUIC Rider request or rate case.
3. Approve Outage Management System project for Tracker recovery based on the costs included in Attachments 8-15 of Otter Tail Power's initial filing.

4. Defer recovery of Demand Response System costs until future EUIC Rider updates.
5. Approve a soft cost cap on the AMI Project of \$55.9 million, less:
 - a. Internal labor costs as reflected in the EUIC Rider mechanism.
 - b. Minnesota jurisdictional component of the external legal and consulting costs unless OTP shows that external legal and consulting costs are specific to the AMI project and qualify to be capitalized under Generally Accepted Accounting Principles.
6. Approve a soft cost cap on the OMS Project of \$2,002,185, representative of the Minnesota jurisdictional share of the OMS Project's total capital costs.
7. Approve a mechanism such that Otter Tail can request cost recovery for cost overruns during its next rate case, if it can show clear and convincing evidence that the costs were reasonable, prudent, and beyond its control.
8. Defer decision on recommendations regarding the Guidance Document until it is reviewed in Otter Tail's Integrated Distribution Plan Dockets E-017/M-21-612, et al.
9. Require Otter Tail Power, in its next EUIC Rider petition, to propose and establish performance metrics to track the performance of the AMI Project and OMS Project and any other projects proposed.
10. Require Otter Tail to file an annual report on its grid modernization investments. The annual report should include the following information:
 - a. An update on the scope of the grid modernization projects proposed in the EUIC Rider and intended functionalities and plan for upcoming year;
 - b. An update on the actual capital and operations and maintenance costs incurred and savings accrued compared to the forecasted amounts included in the initial filing of the EUIC Rider petition;
 - c. An update on the implementation progress of the grid modernization projects proposed compared to the planned timeline;
 - d. An update on the products and services that the grid modernization projects proposed may enable, including any modifications to those offerings, and a summary of implementation progress;
 - e. A discussion of how the proposed grid modernization projects relate to Otter Tail's integrated distribution plan, specifically the Commission's Planning Objectives for integrated distribution plans and Otter Tail's IDP Filing Requirement 3.D (Otter Tail's

Long-term Distribution System Modernization and Infrastructure Investment Plan);
and

- f. An update on any performance metrics that are established in a future EUIC Rider proceeding.
- 11. Require Otter Tail to file the annual Report on grid modification investments in its future EUIC Rider Petition updates.
- 12. Approve Tariff changes requested by Otter Tail in its June 20, 2022 Supplemental Filing.
- 13. Delegate approval of the filed Bill Insert to the Executive Secretary.
- 14. Require Otter Tail to file an updated version of the Class Allocation and Current Rate Design (Attachment 10) and the EUIC tracker mechanism (Attachment 11) within 30 days of the Commission's order, reflecting the contents of this order and any agreement with the Department on adjustments for incremental External Legal and Consulting Costs.

The motion passed 4—0.

IP-6946/WS-17-410

In the Matter of In the Matter of the Application of Freeborn Wind Energy LLC for a Large Wind Energy Conversion System Site Permit for the 84 MW Freeborn Wind Farm in Freeborn County

Chair Sieben moved that the Commission:

Accept Xcel's post-construction noise study and EERA's compliance review and determine that no additional noise monitoring is necessary at this time.

The motion passed 4—0.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION: August 10, 2022



Will Seuffert, Executive Secretary