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January 9, 2015

The Honorable LauraSue Schlatter
Office of Administrative Hearings
P.O. Box 64620
St. Paul, MN 55164-0620

SUBJECT: In the Matter of the Application of Dakota Electric Association for
Authority to Increase Rates for Electric Service in Minnesota
MPUC Docket No. E-111/GR-14-482
OAH Docket No. 80-2500-31796

Dear Judge Schlatter,

Enclosed is Dakota Electric Association's Issue Matrix in the above-referenced docket. This document has been filed with the E-Docket system and served on the attached service list.

Sincerely,

A handwritten signature in black ink that reads 'Douglas R. Hanson'.

Vice President of Regulatory Services
Dakota Electric Association
4300 220th Street West
Farmington, MN 55024

Enclosure

Certificate of Service

I, Cherry Jordan, hereby certify that I have this day served copies of the attached document to those on the following service list by e-filing, personal service, or by causing to be placed in the U.S. mail at Farmington, Minnesota.

MPUC Docket No. E-111/GR-14-482
OAH Docket No. 80-2500-31796

Dated this 9th day of January, 2015

/s/ Cherry Jordan

Cherry Jordan

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BEFORE THE MINNESOTA OFFICE OF ADMINISTRATIVE HEARINGS

600 North Robert Street
St. Paul, Minnesota 55101

FOR THE MINNESOTA PUBLIC UTILITIES COMMISSION

121 Seventh Place East, Suite 350
St. Paul, Minnesota 55101-2147

In the Matter of the Application of
DAKOTA ELECTRIC ASSOCIATION,
for Authority to Increase Rates
for Electric Service in Minnesota

MPUC Docket No. E-111/GR-14-482
OAH Docket No. 80-2500-31796

ISSUES MATRIX

OF

DAKOTA ELECTRIC ASSOCIATION

January 9, 2015

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INTRODUCTION

As required by the Administrative Law Judge's Amended First Prehearing Order in this matter, Dakota Electric Association ("DEA", "Dakota Electric", or "Cooperative") respectfully files this Issues Matrix, setting forth the positions of Dakota Electric, the Department of Commerce – Division of Energy Resources ("DOC" or "Department"), and the Office of the Attorney General – Antitrust and Utilities Division ("OAG"). The positions of parties to this proceeding were included in a number of prefiled documents. Dakota Electric's initial petition; including testimony, exhibits, and workpapers; was filed on July 2, 2014. The Department of Commerce and Office of the Attorney General submitted prefiled direct testimony on October 30, 2014. All parties submitted prefiled rebuttal testimony on November 20, 2014, and prefiled surrebuttal testimony on December 8, 2014. Through this process, Dakota Electric and the Department of Commerce narrowed the contested issues between them and reached a Settlement Agreement that was entered into the evidentiary record during the hearing on December 18, 2014. This Settlement Agreement resolves all contested issues between the Cooperative and Department. There are remaining disputed issues with the Office of the Attorney General.

The Issues Matrix is organized to first summarize issues not in dispute, including issues either agreed to in direct testimony discussing the issue or resolved through rebuttal, surrebuttal, oral testimony, or the Settlement Agreement. For those issues resolved through rebuttal or later testimony, the Issues Matrix notes the parties originally in dispute on the issue, before describing those parties' respective positions.

Section II of the Issues Matrix then summarizes those issues still in dispute.

Within each main section, the Issues Matrix discusses the specific issues in the following format consistent with the topic areas covered by DOC and OAG witnesses, as appropriate:

1. Financial Issues
2. Rate of Return
3. Energy Sales
4. Class Cost of Service Study
5. Revenue Apportionment and Rate Design
6. Matching Power Cost Revenue and Expense

I. ISSUES NOT IN DISPUTE

1. Financial Issues

Dakota Electric Association proposed Total Test Year Operating Expenses (excluding interest) of about \$192,961,000, reflecting a Total Revenue Requirement (including margin) of about \$203,753,000. (Larson prefiled Direct Testimony at Page 6.) Dakota Electric proposed a revenue increase of about \$4,189,000 or 2.1% based on a comparison of proposed Test Year Total Revenue Requirements and Total Revenue. (Larson prefiled Direct Testimony at Page 6.)

Financial issues not in dispute include a) other non-operating income, b) accumulated depreciation expense, c) capitalized payroll expense, and d) cash working capital.

a) Other Non-Operating Income (Undisputed Issue #1)

Dakota Electric reduced its required net operating income and resulting test year revenue deficiency by including about \$399,000 of non-operating income. (Larson prefiled Direct Testimony at Page 6.) This non-operating income consists of 1) interest on non-operating margins, 2) subsidiary net income, and 3) other revenue from non-operating margins. (Johnson prefiled Direct Testimony at Page 6.)

In prefiled Direct Testimony, the Department noted that, normally, rate-regulated utilities calculate net operating income and the resulting test year revenue deficiency on a stand-alone basis, which does not include non-utility businesses. (Johnson prefiled Direct Testimony at Page 7.) Accordingly, the DOC recommended that Dakota Electric's non-operating income of \$399,147 be reduced by \$272,889 to \$116,258. (Johnson prefiled Direct Testimony at Page 9 and prefiled Surrebuttal Testimony at Page 10.)

Dakota Electric concurred with the Department's non-operating income recommendation in rebuttal testimony. (Larson prefiled Rebuttal Testimony at Page 5.)

Office of the Attorney General witness Ms. Lee raised several questions related to non-operating income. (Lee prefiled Rebuttal Testimony at Pages 3 to 8.)

Dakota Electric provided information on the allocation of patronage capital and the calculation of modified debt service coverage in response to the OAG rebuttal testimony. (Larson prefiled Surrebuttal Testimony at Pages 6 to 10.)

At the evidentiary hearing Ms. Lee confirmed that the OAG questions were satisfactorily addressed.

This issue is no longer in dispute. The parties agree that Dakota Electric's non-operating income of \$399,147 should be reduced by \$272,889 to \$116,258.

b) Accumulated Depreciation Expense (Undisputed Issue #2)

Dakota Electric proposed an adjustment to normalize its December 2013 depreciation expense for the test year. DEA's proposed adjustment increased test year depreciation expense by \$78,749. (Larson prefiled Direct Testimony at Exhibit DEA-1 at Page 2.)

The Department accepted this depreciation expense adjustment and recommended a corresponding increase in test year accumulated depreciation of \$78,749 to reflect the increase in depreciation expense. (Johnson prefiled Direct Testimony at Page 9.)

The OAG recommended an increase of \$39,375 to accumulated depreciation which is a normalized (annual average) amount for the test year. (Lee prefiled Direct Testimony at Pages 8 and 9.)

Dakota Electric concurred with the Department's accumulated depreciation recommendation in rebuttal testimony. (Larson prefiled Rebuttal Testimony at Page 5.)

At the evidentiary hearing Ms. Lee confirmed that since Dakota Electric's test year is based on year-end balances the test year accumulated depreciation should be increased by \$78,749.

This issue is no longer in dispute. The parties agree that Dakota Electric's test year accumulated depreciation should be increased by \$78,749.

c) Capitalized Payroll Expense (Undisputed Issue #3)

DEA proposed an adjustment to normalize the percentage of payroll that is expensed (as opposed to capitalized) in the test year. (Larson prefiled Direct Testimony Exhibit DEA-1 at Page 2.)

The DOC and OAG did not oppose the Cooperative's adjustment to normalize the amount of expensed versus capitalized payroll. However, the Department recommended that DEA record an offsetting entry to rate base for the portion of test-year payroll that was normalized and expensed on the income statement. The DOC recommended that

DEA's test year rate base be reduced by \$228,590. (Johnson prefiled Direct Testimony at Page 10.)

Dakota Electric concurred with the Department's recommended adjustment to rate base to reflect the normalization of payroll in rebuttal testimony. (Larson prefiled Rebuttal Testimony at Page 5.)

This issue was not contested. Dakota Electric agrees to reduce test year rate base by \$228,590 to reflect the normalization of expensed versus capitalized payroll.

d) Cash Working Capital (Undisputed Issue #4)

Dakota Electric incurs costs before consumers pay bills. Cash working capital is the amount of money that DEA needs to have on hand to pay for the costs it incurs to serve its members. The Cooperative applied lead/lag study factors to its test year cash operating expenses to determine its cash working capital requirement of \$6,987,282, which was added to its test year rate base. (Larson prefiled Direct Testimony Exhibit DEA-2 at Page 2.)

The Department noted that DEA's calculation of cash working capital included test year interest expense, which is included in overall rate of return calculations and not in cash working capital. (Johnson prefiled Direct Testimony at Page 11.) The Department recommended that the test year cash working capital be reduced by \$125,290 for the lead/lag study due to various DOC adjustments including the removal of interest expense. (Johnson prefiled Direct Testimony at Page 11 and Attachment (MAJ-4))

Dakota Electric concurred with the Department's recommended adjustment to cash working capital in rebuttal testimony. (Larson prefiled Rebuttal Testimony at Page 5.)

The OAG did not submit testimony on this issue.

This issue was not contested. Dakota Electric agrees to reduce cash working capital by \$125,290 for the lead/lag study.

2. Rate Base and Rate of Return (Undisputed Issue #5)

DEA proposed a total Test Year rate base of \$171,613,635 (Larson prefiled Direct Testimony Exhibit DEA-2 at Page 2.). DEA proposed an overall rate of return of 6.52 percent (Larson prefiled Direct Testimony Exhibit DEA-2 at Page 8.)

The Department calculated a fair rate of return on common equity capital and a fair overall rate of return for Dakota Electric. The DOC determined that, since the overall rate of return is applied to the rate base to produce the appropriate level of net income, the overall rate of return must be adjusted to allow DEA to earn the same amount on its rate base as it would on its total capitalization. (Amit prefiled Direct Testimony at Page 19.) The Department's analysis resulted in an initial recommended overall rate of return of 6.51 percent, which was based on a rate of return on equity for DEA of 4.35 percent, a cost of debt of 5.31 percent, and an overall return on total capital of 4.75 percent. (Amit prefiled Direct Testimony at Page 19.)

The Department's recommended return on equity, cost of debt, and the resulting overall rate of return (ROR) were based on DEA's initially filed test year rate base of \$171,613,635. The DOC noted that, if the Commission approves a rate base different from \$171,613,635, then

the return should be adjusted as reflected in Dr. Amit's Direct Testimony at Page 6, where he stated that:

...every member of DEA must invest in DEA in order to receive any electric service. In contrast, any investors in an IOU make their decisions based on the merit of this investment relative to many other investment opportunities.

As a result, the required rate of return on DEA's equity is not determined by the opportunity cost of investing capital somewhere else; rather, it is determined by the need to finance the growth of DEA's rate base and maintain a sound capital structure. (Amit prefiled Direct Testimony at Page 6.) The calculation of the adjustment to DEA's ROR due to changes in rate base is as follows:

Overall return on rate (ROR) base = $4.75 \times \text{Total Capitalization/Approved Rate Base}$.

(Amit prefiled Direct Testimony at Page 19.)

As a result of various Department financial adjustments, the DOC recommended a rate base of \$171,181,006 (equal to DEA's \$171,613,635 minus \$432,629 of DOC rate base adjustments). (Johnson prefiled Direct Testimony at Page 12 and prefiled Surrebuttal Testimony at Page 11.) Because the agreed-upon rate base was different from the amount used in Dr. Amit's prefiled Direct Testimony, the DOC performed the calculations as required, resulting in the following:

Cost of Debt	5.31 %
Return on Equity	4.35%
Overall Rate of Return	6.53%

(Johnson prefiled Surrebuttal Testimony, DOC Attachment MAJ-S-6.)

The resulting overall rate of return, based on calculations and recommendations contained in the prefiled Direct Testimony of Dr. Amit, is 6.53 percent. (Johnson prefiled Direct Testimony at Page 12 and Johnson prefiled Surrebuttal Testimony at Page 11 and MAJ-S-6.)

Dakota Electric concurred with the Department's recommended adjustment to rate base and overall rate of return in rebuttal testimony. (Larson prefiled Rebuttal Testimony at Page 5.)

The OAG did not submit testimony on the calculation of overall rate of return.

These issues were not contested. Dakota Electric agrees to a rate base of \$171,181,006 and overall rate of return of 6.53 percent.

3. Energy Sales (Undisputed Issue #6)

Dakota Electric's filing included a weather-normalized energy sales forecast. (Larson prefiled Direct Testimony at Workpaper 13.)

The Department analyzed Dakota Electric's calculations of test year energy sales volumes and customer counts and recommended that the Commission approve Dakota Electric's energy sales volumes and budgeted customer counts in this proceeding. (Zajicek prefiled Direct Testimony at Page 8.)

Dakota Electric concurred with the Department's recommendation regarding energy sales volumes and customer counts. (Larson prefiled Rebuttal Testimony at Page 5.)

The OAG did not submit testimony on this issue.

The energy sales volumes and customer counts submitted in the Cooperative's initial filing were not contested.

4. Class Cost of Service Study (Undisputed Issue #7)

Dakota Electric's filing included a cost of service study that uses the same model approved by the Commission in the Cooperative's 2009 general rate case (Docket No. E-111/GR-09-175), with two modifications. (Larson prefiled Direct Testimony at Page 20 and Exhibit DEA-3.) The first modification is use of the minimum-size method to determine the relative amount of specified distribution accounts to classify as "consumer" costs. (Larson prefiled Direct Testimony at Page 21 and Workpaper 21.) The second modification was the inclusion of a new wholesale power energy charge. (Larson prefiled Direct Testimony at Page 21.)

The DOC and OAG evaluated Dakota Electric's class cost of service study (CCOSS). The Department concluded that Dakota Electric's proposed CCOSS is reasonable. DEA used the same methodology that was approved by the Commission in its last rate case with the exception of the two changes noted. The classification and allocation of the functionalized accounts are generally consistent with the 1992 Electric Utility Cost Allocation Manual by the National Association of Regulatory Utility Commissioners (NARUC), and Dakota Electric has made relevant updates to its input data. (Ruzycki prefiled Direct Testimony at Page 14.) Based on these conclusions, the Department recommended that the Commission adopt Dakota Electric's proposed class cost of service study. (Ruzycki prefiled Direct Testimony at Page 15, prefiled Rebuttal Testimony at Page 7, and prefiled Surrebuttal Testimony at Page 8.)

Dakota Electric concurred with the Department's recommendation to adopt the CCOSS. (Larson prefiled Rebuttal Testimony at Page 6 and prefiled Surrebuttal Testimony at Page 20.)

The OAG objected to the Cooperative's use of the minimum-size method to determine the relative amount of specified distribution accounts to classify as "consumer" costs. (Nelson

prefiled Direct Testimony at Page 16, prefiled Rebuttal testimony at Pages 4 and 5, and prefiled Surrebuttal Testimony at Page 10.) The OAG did not contest the Cooperative's class cost of service study, exclusive of the minimum-size method.

Dakota Electric's class cost of service study, exclusive of the minimum-size methodology, is not contested.

5. Rate Design (Undisputed Issue #8)

Dakota Electric proposed many rate design changes as described in the prefiled Direct Testimony of Mr. Larson at Pages 38 through 58.

The Department reviewed the rate design recommendations proposed by Dakota Electric. Rate design issues evaluated by the DOC included customer charges, residential time-of-day (TOD) tariffs, geothermal heat pump, line extension charges, and service and reconnection charges. Regarding these matters, the DOC summarized its recommendations as follows:

- Approve the following monthly customer charges:
 - Residential - \$9.00
 - Residential (Demand Control) - \$12.00
 - Residential (TOD) - \$12.00
 - Residential (New TOD) - \$12.00
 - Small General Service - \$14.00
 - Irrigation - \$30.00
 - General Service - \$34.00
 - General Service (TOD) - \$36.00
 - Commercial & Industrial Interruptible - \$110.00
- Approve DEA's proposed Schedule 55 Residential Time-of-Day Tariff, and rate changes to its Schedule 53 Residential Time-of-Day Tariff.
- Approve DEA's request to close its Geothermal Heat Pump Service to new customers.
- Approve the proposed Line Extension Charges.
- Approve the proposed Service and Reconnection Charges.

(Peirce prefiled Direct Testimony at Page 23.)

The only disputed rate design matter is the residential and small general service monthly fixed charge. In prefiled Rebuttal and Surrebuttal Testimony, Dakota Electric continued to support a \$2.00 per month increase in residential monthly fixed charges. Dakota Electric supported all other Department rate design recommendations. (Larson prefiled Rebuttal Testimony at Page 36 and prefiled Surrebuttal Testimony at Page 21.)

The OAG rate design testimony focused on the residential and small general service monthly fixed charge. This matter is summarized below under disputed issues. The OAG did not contest the Cooperative's other rate design proposals.

Dakota Electric's rate design proposals, exclusive of the residential and small general service monthly fixed charge, are not contested.

6. Matching Power Cost Revenue and Expense (Undisputed Issue #9)

The Commission's August 29, 2014 Notice and Order for Hearing includes the following language on Page 2:

The Commission also asks the parties to address and provide schedules and supporting documentation in the development of the record in this matter, that show the matching of power cost revenue to power cost expense in the pro forma test year financial schedules.

Based on the continuing discussion of this matter through information requests and a meeting with all parties and Commission Staff, Dakota Electric prepared an updated response to Department information request 505 which was identified as "DEA Surrebuttal Exhibit 3." (Larson prefiled Surrebuttal Testimony at Page 19.) This updated response resolved a few matters. First, Dakota Electric proposed to revise the Power Cost Adjustment (PCA) base that is applied to firm service rate schedules as shown in this exhibit. The net change in the PCA base is an increase from \$0.0899 per kWh to \$0.0903 per kWh. (Larson prefiled Surrebuttal

Testimony at Page 19.) Second, the calculation of tariffed revenue under present and proposed rates, and resulting identification of tariffed revenue associated with wholesale power service from GRE and distribution service, includes a component that recognizes about \$285,000 in the current cost of power for various carry-over/true-up amounts in the Cooperative's present Resource and Tax Adjustment (RTA). These amounts will be trued-up as Dakota Electric's RTA transitions from present rates to proposed rates. Together, these updates result in the calculated tariff revenue associated with wholesale power nearly equaling the wholesale power costs included in the test year. (Larson prefiled Surrebuttal Testimony at Page 19.)

The Department concurred with the revised PCA base and explanation of the matching of power cost revenue and expense in the Settlement Agreement.

The OAG did not submit testimony on this issue.

Dakota Electric's revised PCA base and explanation of the matching of power cost revenue and expense were not contested.

II. DISPUTED ISSUES

1. Financial Issues

Financial issues in dispute include a) travel and miscellaneous expenses, b) adjustment for staffing changes, and c) support hours formerly provided to EAI.

a) Travel and miscellaneous expenses (Disputed Issue #1)

The OAG recommends disallowance of \$10,310 of travel and miscellaneous expenses consisting of 1) \$2,066 of travel reimbursement for a DEA director running for election to the CFC Board of Directors, 2) \$672 for half the cost of an airfare that was

booked days before the trip, 3) \$3,909 in grocery and food expenses for various company and department functions, 4) \$522 for the DEA Board December holiday lunch, and 5) \$3,141 for the retirement gathering for the Cooperative's attorney. (Lee prefiled Direct Testimony at Pages 12 to 14 and prefiled Surrebuttal Testimony at Page 13.)

Dakota Electric agreed that the retirement dinner expenses for the Cooperative's long-time attorney should be removed from the test year, but that all other travel and miscellaneous expenses should be approved for rate recovery. (Larson prefiled Rebuttal testimony at Pages 36 and 37 and prefiled Surrebuttal Testimony at Page 21.)

b) Adjustment for staffing changes (Disputed Issue #2)

The OAG recommends disallowance of the \$690,427 adjustment made by Dakota Electric for staffing changes that occurred within the test year based on a comparison of total test year compensation to the historical average level of compensation from prior years. (Lee prefiled Direct Testimony at Pages 5 to 7 and prefiled Surrebuttal Testimony at Page 13.)

Dakota Electric recommends approval of the adjustment for staffing changes applied to the historical test year that reflect a full year of compensation and benefits for all existing positions at the Cooperative. (Larson prefiled Rebuttal Testimony at Page 36 and prefiled Surrebuttal Testimony at Page 21.)

c) Support hours formerly provided to EAI (Disputed Issue #3)

The OAG recommends disallowance of the labor costs associated with 842 hours that were provided and charged to the Cooperative's subsidiary in 2010, but included in

Dakota Electric's regulated operations in the test year due to the subsidiary requiring less support. (Lee prefiled Direct Testimony at Page 8 and prefiled Surrebuttal testimony at Page 13.)

Dakota Electric's position is that no adjustment for hours no longer devoted to subsidiary activities is warranted (Larson prefiled Rebuttal Testimony at Page 36 and prefiled Surrebuttal Testimony at Page 21.)

2. *Class Cost of Service Study* (Disputed Issue #4)

Dakota Electric's filing included a cost of service study that uses the same model approved by the Commission in the Cooperative's 2009 general rate case (Docket No. E-111/GR-09-175), with two modifications. (Larson prefiled Direct Testimony at Page 20 and Exhibit DEA-3.) The first modification is use of the minimum-size method to determine the relative amount of specified distribution accounts to classify as "consumer" costs. (Larson prefiled Direct Testimony at Page 21 and Workpaper 21.) The second modification was the inclusion of a new wholesale power energy charge. (Larson prefiled Direct Testimony at Page 21.)

The DOC and OAG evaluated Dakota Electric's class cost of service study (CCOSS). The Department concluded that Dakota Electric's proposed CCOSS is reasonable. The Department recommended that the Commission adopt Dakota Electric's proposed class cost of service study. (Ruzycki prefiled Direct Testimony at Page 15, prefiled Rebuttal Testimony at Page 7, and prefiled Surrebuttal Testimony at Page 8.)

Dakota Electric concurred with the Department's recommendation to adopt the CCOSS. (Larson prefiled Rebuttal Testimony at Page 6 and prefiled Surrebuttal Testimony at Page 20.)

The OAG objected to the Cooperative’s use of the minimum-size method to determine the relative amount of specified distribution accounts to classify as “consumer” costs. (Nelson prefiled Direct Testimony at Page 16, prefiled Rebuttal testimony at Pages 4 and 5, and prefiled Surrebuttal Testimony at Page 10.) The OAG recommends use of an alternative minimum system analysis referred to as the zero-intercept proxy to determine the relative amount of specified distribution accounts to classify as “consumer” costs. (Nelson prefiled Direct Testimony at Page 20 and prefiled Surrebuttal Testimony at Page 10.)

3. Revenue Apportionment and Rate Design

Revenue apportionment and the rate design matter of the residential monthly fixed charge are in dispute.

a) Apportionment of Revenue Responsibility to Customer Classes (Disputed Issue #5)

Dakota Electric proposed a revenue apportionment based on the results of the Cooperative’s cost of service study. (Larson prefiled Direct Testimony at Pages 7 and 8.)

The OAG recommended a revenue apportionment that results in lower increases for residential and small general classes and higher increases for all other classes compared to the proposal of the Cooperative. (Nelson prefiled Direct Testimony at Page 32.)

The Department recommended more modest increases in annual revenue from Small General Service (Schedule 41) than proposed by Dakota Electric by increasing the revenue responsibility from General Service (Schedule 46) slightly more than proposed by Dakota Electric. (Peirce prefiled Direct Testimony at Page 7.)

In prefiled Rebuttal Testimony, Dakota Electric presented cost and revenue comparison information for the Small General Service rate schedule and indicated that the Cooperative would welcome further testimony from the DOC to explore a compromise position between our revenue apportionment positions. (Larson prefiled Rebuttal Testimony at Page 8.)

In prefiled Surrebuttal Testimony, the Department recommended a 3.5 percent annual increase in revenue for Small General Service compared to the 5.15 percent increase proposed in Dakota Electric's initial filing. To offset the revenue responsibility from this modest increase to Small General Service, the DOC recommended a revenue responsibility increase of 0.27 percent to General Service compared to the 0.04 percent increase in revenue responsibility proposed in Dakota Electric's initial filing. (Peirce prefiled Surrebuttal Testimony at Page 3.)

Through the Settlement Agreement, Dakota Electric agreed to the apportionment of revenue responsibility to customer classes contained in the prefiled Surrebuttal Testimony of Department witness Ms. Peirce.

The OAG continues to recommend the revenue apportionment proposed in Mr. Nelson's prefiled Direct Testimony. (Nelson prefiled Surrebuttal Testimony at Page 10.)

b) Rate Design (Disputed Issue #6)

All rate design matters were undisputed with the exception of the residential monthly fixed charge as summarized in Section I. 5. above.

Dakota Electric's initial filing proposed a \$2.00 increase in the residential monthly fixed charge from the present \$8.00 per month to a proposed \$10.00 per month.

In prefiled Rebuttal and Surrebuttal Testimony, Dakota Electric continued to support a \$2.00 per month increase in residential monthly fixed charges. (Larson prefiled Rebuttal Testimony at Page 36 and prefiled Surrebuttal Testimony at Page 21.)

The OAG recommends no change in the residential and small general service monthly fixed charge. (Nelson prefiled Direct Testimony at Page 41 and prefiled Surrebuttal testimony at Page 10.)

The Department recommended a \$1.00 per month increase in the residential monthly fixed charge from the present \$8.00 per month to a proposed \$9.00 per month. (Peirce prefiled Direct Testimony at Page 23 and prefiled Surrebuttal Testimony at Page 11.)

Dakota Electric agreed to the Department's proposed \$9.00 residential monthly fixed charge in the Settlement Agreement.