

December 27, 2016

Daniel P. Wolf
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, Minnesota 55101

**RE: Response Comments of Minnesota Department of Commerce, Division of Energy Resources to the Reply Comments of Dakota Electric Association
In the Matter of Dakota Electric Association's Petition for Approval to Implement a Large Load, High Load Factor Rider (LLHLF Rider)
Docket No. E1111/M-16-923**

Dear Mr. Wolf:

In its December 14, 2016 Comments in the above-referenced matter, the Minnesota Department of Commerce, Division of Energy Resources (Department) recommended that the Minnesota Public Utilities Commission (Commission) approve Dakota Electric Association's (Dakota Electric, DEA or the Association) petition to implement a Large Load, High Load Factor Rider (LLHLF Rider).

On December 22, 2016, Dakota Electric filed Reply Comments stating that the Association concurs with the Department's recommendation for approval and proposing a clarification to Clause 8 in its Terms and Condition associated with the proposed LLHLF Rider. The proposed language changes to Clause 8 of the Terms and Conditions are as follows:

The Association will track the wholesale power costs associated with all Large Load High Load Factor credits and ~~account for the credits~~ exclude them from both the calculation of the base cost of power in future rate cases and the calculation of the Power Cost Adjustment Charges in the Resource and Tax Adjustment filings to the Minnesota Public Utilities Commission ~~like other wholesale power pass through rates~~. This will ensure that the credits Dakota Electric receives from its wholesale power supplier are not double-counted.¹

Dakota Electric's revised language is based on similar language proposed by the Department in the Member Specific Rider (MSD Rider) Comments dated December 21, 2016 in Docket No. E1111/M-16-774. The MSD Rider is similar to the LLHLF Rider in that it

¹ See page 2 of DEA's Reply Comments.

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passes through to certain member customers wholesale discounts implemented by Great River Energy. The Association noted that since the two riders would be handled in the same manner in the Resource and Tax Adjustment filings, having the same language in the Terms and Conditions of both riders would be reasonable.

The Department concurs with Dakota Electric's proposed language revision and recommends approval of Dakota Electric's Large Load, High Load Factor Rider, as amended by DEA.

Sincerely,

/s/ BEN KAMARA
Financial Analyst

BK/lt