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December 22, 2016

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

**Re: Dakota Electric Association Reply Comments in  
Docket No. E-111/M-16-923**

Dear Mr. Wolf:

On November 11, 2016, Dakota Electric Association (Dakota Electric or Cooperative) submitted a Petition in the above-referenced docket requesting Minnesota Public Utilities Commission (Commission or MPUC) approval to implement a Large Load, High Load Factor Rider (LLHLF Rider). The proposed LLHLF Rider would provide a pass-through of targeted wholesale power energy credits to members under specified circumstances.

On December 14, 2016, the Minnesota Department of Commerce (Department or DOC) submitted comments recommending Commission approval of the LLHLF Rider.

Dakota Electric Reply Comments

Dakota Electric concurs with the Department recommendation to approve the LLHLF Rider.

In addition, through these Reply Comments, we would like to offer a clarification to Clause 8 in the Terms and Conditions of the proposed LLHLF Rider. Our suggested revision is based on similar language being developed in a concurrent filing (Docket No. E-111/M-16-774) regarding a Member Specific Discount (MSD) Rider. Since the targeted wholesale discounts for both the LLHLF Rider and MSD Rider would be handled the same in the Resource and Tax Adjustment, we suggest that the wording in the Terms and

Conditions be the same for both Riders. Accordingly, we propose to modify the wording for Clause 8 in the Terms and Conditions for the proposed LLHLF Rider 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.

This modified wording is consistent with the wording proposed by the Department in Docket 16-774.

If you or your staff have any questions regarding this petition, please contact me at (651) 463-6258.

Sincerely,

*/s/ Douglas R. Larson*

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