

September 18, 2015

Daniel P. Wolf  
Executive Secretary  
Minnesota Public Utilities Commission  
121 7th Place East, Suite 350  
St. Paul, Minnesota 55101-2147

RE: **Comments of the Minnesota Department of Commerce, Division of Energy Resources**  
Docket No. E111/GR-14-482

Dear Mr. Wolf:

Attached are the Comments of the Minnesota Department of Commerce, Division of Energy Resources (DOC or the Department) in the following matter:

A Compliance Filing submitted by Dakota Electric Association (DEA or the Cooperative), pursuant to the Minnesota Public Utilities Commission's (Commission) June 8, 2015 *Findings of Fact, Conclusions, and Order*.

The Compliance Filing was submitted on August 31, 2015 by:

Douglas R. Larson  
Vice President of Regulatory Services  
Dakota Electric Association  
3200 220<sup>th</sup> Street W  
Farmington, MN 55024

The DOC recommends **approval** of DEA's Compliance Filing. The DOC is available to answer any questions that the Commission may have.

Sincerely,

/s/ MARK A. JOHNSON  
Financial Analyst

MAJ/lt  
Attachment

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

COMMENTS OF THE  
MINNESOTA DEPARTMENT OF COMMERCE  
DIVISION OF ENERGY RESOURCES

DOCKET No. E111/GR-14-482

**I. INTRODUCTION**

On June 8, 2015, the Minnesota Public Utilities Commission (Commission) issued its *Findings of Fact, Conclusions, and Order* (Order) in the above-referenced docket concerning the request by Dakota Electric Association's (DEA or the Cooperative) to increase retail electric rates in Minnesota. Ordering Paragraph No. 9 of the Commission's Order required DEA to submit certain information in its Compliance Filing as discussed below. Ordering Paragraph No. 10 stated that any comments shall be filed within 20 days of the date of the Compliance Filing.

On August 31, 2015, DEA submitted its Compliance Filing in accordance with Ordering Paragraph No. 9 of the Commission's Order.

On September 10, 2015, DEA submitted a revision to its Compliance Filing. DEA stated that the schedule number designation proposed for the new Residential and Farm Time-of-Day Rate (Schedule 55) was already in use for other internal purposes. As a result, DEA submitted the revision for the sole purpose of changing the proposed "Schedule 55" designation to "Schedule 56."

**II. THE DOC'S ANALYSIS OF THE COMPLIANCE FILING BY ORDERING PARAGRAPH**

Ordering Paragraph No. 1 of the Commission's Order stated that DEA is entitled to increase Minnesota jurisdictional revenues by \$4,010,171 to produce total retail-related revenue of \$203,574,418 for the test year ending December 31, 2013. Based on our review, the DOC concludes that DEA's financial schedules in the Compliance Filing incorporated the authorized amounts identified above.

Ordering Paragraph No. 9 of the Commission's Order required that DEA include the following items in its Compliance Filing:

- a) Revised schedules of rates and charges reflecting the revenue requirement and the rate-design decisions herein, along with the proposed effective date, and including the following information:
  - i. Breakdown of Total Operating Revenues by type.
  - ii. Schedules showing all billing determinants for the retail sales (and sale for resale) of electricity. These schedules shall include but not be limited to
    - Total revenue by customer class;
    - Total number of customers, the customer charge, and total customer-charge revenue by customer class; and
    - For each customer class, the total number of energy- and demand-related billing units, the per unit energy and demand cost of energy, and the total energy and demand-related sales revenues.
  - iii. Revised tariff sheets incorporating authorized rate-design decisions.
  - iv. Proposed customer notices explaining the final rates, the monthly basic service charges, and any and all changes to rate design and customer billing.
- b. A revised base cost of energy, supporting schedules, and resource and tax adjustment tariffs to be in effect on the date final rates are implemented.
- c. A summary listing of all other rate riders and charges in effect, and continuing, after the date final rates are implemented.
- d. A schedule detailing the Demand-Side Management (DSM) and Conservation Recovery tracker balance at the beginning of interim rates, the revenues (both base and the Resource and Tax Adjustment rate recovery) and costs recorded during the period of interim rates, and the DSM & Conservation Recovery tracker balance at the time final rates become effective.
- e. If final authorized rates are lower than interim rates, a proposal to make refunds of interim rates to affected customers, consistent with the Commission's decision in this proceeding.

Each of these items in Ordering Paragraph No. 9 is discussed below.

*A. REVISED SCHEDULE OF RATES AND CHARGES*

Ordering Paragraph No. 9(a), Subparts (i) and (ii) required DEA to provide revised schedules of rates and charges reflecting the Commission's revenue requirement and rate design decisions, including the information noted above. DEA provided this information in Schedules G, B, C, and D of its Compliance Filing.

The DOC reviewed Schedules G, B, C and D of DEA's Compliance Filing. Based on our review, the DOC concludes that these schedules comply with the Commission's Order.

*B. REVISED TARIFF SHEETS*

Schedules H and I of the Compliance Filing responded to Ordering Paragraph No. 9(a), Subpart (iii) which required DEA to provide revised tariff sheets incorporating the Commission's authorized rate design decisions.

The DOC reviewed Schedules H and I of DEA's Compliance Filing and notes that these schedules comply with the Commission's Order.

*C. CUSTOMER NOTICES*

Ordering Paragraph No. 9(a), Subpart (iv) required DEA to provide its proposed customer notices explaining the final rates, the monthly basic service charges, and any and all changes to rate design and customer billing. DEA provided this information in Schedule J of its Compliance Filing. However, the Commission also stated in Ordering Paragraph No. 9 that parties need not comment on DEA's proposed customer notices. Accordingly, the DOC does not have a specific recommendation on these notices.

*D. REVISED BASE COST OF ENERGY*

Ordering Paragraph No. 9(b) required DEA to provide a revised base cost of energy, supporting schedules, and resource and tax adjustment tariffs to be in effect on the date final rates are implemented. DEA provided this information in Schedules E and F of its Compliance Filing.

The DOC reviewed Schedules E and F of DEA's Compliance Filing and notes that these schedules comply with the Commission's Order.

*E. RATE RIDERS AND CHARGES IN EFFECT*

Ordering Paragraph No. 9(c) required DEA to provide a summary listing of all other rate riders and charges in effect, and continuing, after the date final rates are implemented. DEA stated on page 4 of its Compliance Filing that it does not have any other rate riders and charges.

*F. A SCHEDULE OF DEMAND-SIDE MANAGEMENT AND CONSERVATION RECOVERY TRACKER BALANCE*

Ordering Paragraph No. 9(d) required DEA to provide a schedule detailing the Demand-Side Management (DSM) and Conservation Recovery tracker balance at the beginning of interim rates, the revenues (both base and the Resource and Tax Adjustment rate recovery) and costs recorded during the period of interim rates, and the DSM & Conservation Recovery tracker balance at the time final rates become effective. DEA provided this information as part of its Resource and Tax Adjustment calculations found in Schedule F of its Compliance Filing, specifically Sub-schedule A3.

The DOC reviewed Schedule F and Sub-schedule A3 of DEA's Compliance Filing and concludes that these schedules comply with the Commission's Order.

*G. INTERIM RATE REFUND PLAN*

Ordering Paragraph No. 9(e) required DEA to make a refund proposal to affected customers if final authorized rates are lower than interim rates. DEA stated, and the DOC agrees, that since the final revenue increase authorized by the Commission exceeds the interim increase granted by the Commission, it is not necessary for DEA to provide any interim refunds.

*H. OTHER*

The DOC reviewed DEA's September 10, 2015 revised Compliance Filing and agrees with the Cooperative's proposal to change the Schedule 55 designation to Schedule 56.

**III. SUMMARY OF THE DOC'S RECOMMENDATIONS**

In conclusion, the DOC recommends that the Commission approve Dakota Electric Association's Compliance Filing.

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## **CERTIFICATE OF SERVICE**

I, Sharon Ferguson, hereby certify that I have this day, served copies of the following document on the attached list of persons by electronic filing, certified mail, e-mail, or by depositing a true and correct copy thereof properly enveloped with postage paid in the United States Mail at St. Paul, Minnesota.

**Minnesota Department of Commerce  
Comments**

**Docket No. E111/GR-14-482**

**Dated this 18<sup>th</sup> day of September 2015**

**/s/Sharon Ferguson**

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
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