

July 14, 2014

Burl W. Haar
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 Dr. Haar:

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

Application of Dakota Electric Association (DEA) for Authority to Increase Electric Service in Minnesota.

The petition was filed on July 2, 2014 by:

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

The DOC recommends that the Minnesota Public Utilities Commission (Commission) accept DEA's filing as complete and refer this matter to the Office of Administrative Hearings. The DOC is available to answer any questions the Commission may have.

Sincerely,

/s/ MARK JOHNSON
Financial Analyst

MJ/It
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. OVERVIEW

On July 7, 2014, the Minnesota Public Utilities Commission (Commission) issued a notice in the above-referenced docket requesting that potential interested parties submit comments on whether the general rate case petition filed on July 2, 2014 by Dakota Electric Association (DEA or the Association) complies with the filing requirements in Minn. Stat. §216B.16, Minn Rules, Parts 7825.3100 to 7825.4400, and relevant Commission Orders. The Commission also asked parties to address whether this matter should be sent to the Office of Administrative Hearings for a contested case hearing and if so, what the scope of the hearing should be. The Minnesota Department of Commerce, Division of Energy Resources (DOC) submits the following comments, pursuant to the Commission's July 7, 2014 notice.

II. DOC ANALYSIS

The DOC conducted a review of the contents of the Petition to verify the Company's compliance with:

1. statutory requirements (Minnesota Statutes §216B.16);
2. Commission's rules governing filing requirements for rate changes (Minnesota Rules parts 7825.3100 to 7825.4400);
3. Commission Policy Statements;¹
4. Commission Orders pursuant to DEA's most recent general rate case in Docket No.E111/GR-09-175; and
5. Commission Orders in various dockets prior to or subsequent to DEA's most recent general rate case.

¹ On June 14, 1982, the Commission issued policy statements on rate case issues to assist utilities by providing advance guidance on the likely treatment of specific issues.

DEA provided a matrix of regulatory requirements in Volume 1 of its Petition. This table lists and identifies where in the Petition the Company has addressed the applicable Statutes and Rules, Commission Policy Statements, and prior Commission Orders.

Based on our review, the DOC concludes that DEA's filing complies with the filing requirements. The DOC emphasizes that its review at this stage of the proceeding pertains to whether the Company's Petition discussed the issues in the list noted above, not as to whether the Company has met its burden of proof to show that its proposals are reasonable. Such analysis is the focus of the investigatory period in the initial stage of the proceeding, based on the merits of the Petition. As such, issues can be and will be further developed through information requests. Accordingly, the DOC recommends that the Commission accept the Petition and refer this matter to the Office of Administrative Hearings for a contested case proceeding.

Regarding scope, the Department recommends that the Commission request that the following issues be addressed, along with any particular issues the Commission would like to see developed in this proceeding:

- (1) Is the test year revenue increase sought by the Association reasonable or will it result in unreasonable and excessive earnings?
- (2) Is the rate design proposed by the Association reasonable?
- (3) Are the Association's proposed capital structure, cost of capital, and return on equity reasonable?

III. DOC RECOMMENDATIONS

The DOC recommends that the Commission:

1. accept DEA's rate case filing in the present docket as complete; and
2. refer this matter to the Office of Administrative Hearings.

/lt

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 14th day of July 2014

/s/Sharon Ferguson

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Julia	Anderson	Julia.Anderson@ag.state.mn.us	Office of the Attorney General-DOC	1800 BRM Tower 445 Minnesota St St. Paul, MN 551012134	Electronic Service	Yes	SPL_SL_14-482_Potentially Interested Parties
Christopher	Anderson	canderson@allete.com	Minnesota Power	30 W Superior St Duluth, MN 558022191	Electronic Service	No	SPL_SL_14-482_Potentially Interested Parties
Jon	Brekke	jbrekke@greenergy.com	Great River Energy	12300 Elm Creek Boulevard Maple Grove, MN 553694718	Electronic Service	No	SPL_SL_14-482_Potentially Interested Parties
John	Coffman	john@johncoffman.net	AARP	871 Tuxedo Blvd. St. Louis, MO 63119-2044	Electronic Service	No	SPL_SL_14-482_Potentially Interested Parties
Ian	Dobson	ian.dobson@ag.state.mn.us	Office of the Attorney General-RUD	Antitrust and Utilities Division 445 Minnesota Street, BRM Tower St. Paul, MN 55101	Electronic Service 1400	No	SPL_SL_14-482_Potentially Interested Parties
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 500 Saint Paul, MN 551012198	Electronic Service	Yes	SPL_SL_14-482_Potentially Interested Parties
Benjamin	Gerber	bgerber@mnchamber.com	Minnesota Chamber of Commerce	400 Robert Street North Suite 1500 St. Paul, Minnesota 55101	Electronic Service	No	SPL_SL_14-482_Potentially Interested Parties
Bruce	Gerhardson	bgerhardson@otpc.com	Otter Tail Power Company	PO Box 496 215 S Cascade St Fergus Falls, MN 565380496	Electronic Service	No	SPL_SL_14-482_Potentially Interested Parties
Elizabeth	Goodpaster	bgoodpaster@mncenter.org	MN Center for Environmental Advocacy	Suite 206 26 East Exchange Street St. Paul, MN 551011667	Electronic Service	No	SPL_SL_14-482_Potentially Interested Parties
Burl W.	Haar	burl.haar@state.mn.us	Public Utilities Commission	Suite 350 121 7th Place East St. Paul, MN 551012147	Electronic Service	Yes	SPL_SL_14-482_Potentially Interested Parties

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Alan	Jenkins	aj@jenkinsatlaw.com	Jenkins at Law	2265 Roswell Road Suite 100 Marietta, GA 30062	Electronic Service	No	SPL_SL_14-482_Potentially Interested Parties
Douglas	Larson	dlarson@dakotaelectric.com	Dakota Electric Association	4300 220th St W Farmington, MN 55024	Electronic Service	No	SPL_SL_14-482_Potentially Interested Parties
Harold	LeVander, Jr.	hlevander@felhaber.com	Felhaber, Larson, Fenton & Vogt, P.A.	Suite 2100 444 Cedar Street St. Paul, MN 551012136	Electronic Service	No	SPL_SL_14-482_Potentially Interested Parties
John	Lindell	agorud.ecf@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012130	Electronic Service	Yes	SPL_SL_14-482_Potentially Interested Parties
Peter	Madsen	peter.madsen@ag.state.mn.us	Office of the Attorney General-DOC	Bremer Tower, Suite 1800 445 Minnesota Street St. Paul, Minnesota 55101	Electronic Service	No	SPL_SL_14-482_Potentially Interested Parties
Pam	Marshall	pam@energycents.org	Energy CENTS Coalition	823 7th St E St. Paul, MN 55106	Electronic Service	No	SPL_SL_14-482_Potentially Interested Parties
Gregory C.	Miller	gmiller@dakotaelectric.com	Dakota Electric Association	4300 220th Street West Farmington, MN 55024	Electronic Service	No	SPL_SL_14-482_Potentially Interested Parties
David	Moeller	dmoeller@allete.com	Minnesota Power	30 W Superior St Duluth, MN 558022093	Electronic Service	No	SPL_SL_14-482_Potentially Interested Parties
Andrew	Moratzka	apmoratzka@stoel.com	Stoel Rives LLP	33 South Sixth Street Suite 4200 Minneapolis, MN 55402	Electronic Service	No	SPL_SL_14-482_Potentially Interested Parties
Gwenda	Pangerl			13880 Mississippi Trail Hastings, MN 55033	Paper Service	No	SPL_SL_14-482_Potentially Interested Parties

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
William	Phillips	wphillips@aarp.org	AARP	30 E. 7th St Suite 1200 St. Paul, MN 55101	Electronic Service	No	SPL_SL_14-482_Potentially Interested Parties
Kevin	Reuther	kreuther@mncenter.org	MN Center for Environmental Advocacy	26 E Exchange St, Ste 206 St. Paul, MN 551011667	Electronic Service	No	SPL_SL_14-482_Potentially Interested Parties
Richard	Savelkoul	rsavelkoul@martinsquires.com	Martin & Squires, P.A.	332 Minnesota Street Ste W2750 St. Paul, MN 55101	Electronic Service	No	SPL_SL_14-482_Potentially Interested Parties
James M.	Strommen	jstrommen@kennedy-graven.com	Kennedy & Graven, Chartered	470 U.S. Bank Plaza 200 South Sixth Street Minneapolis, MN 55402	Electronic Service	No	SPL_SL_14-482_Potentially Interested Parties
Eric	Swanson	eswanson@winthrop.com	Winthrop Weinstine	225 S 6th St Ste 3500 Capella Tower Minneapolis, MN 554024629	Electronic Service	No	SPL_SL_14-482_Potentially Interested Parties
Kathy	Thacher	kthacher@dakotaelectric.com	Dakota Electric Association	4300 220th Street Farmington, MN 550249583	Electronic Service	No	SPL_SL_14-482_Potentially Interested Parties
SaGonna	Thompson	Regulatory.Records@xcelenergy.com	Xcel Energy	414 Nicollet Mall FL 7 Minneapolis, MN 554011993	Electronic Service	No	SPL_SL_14-482_Potentially Interested Parties
Lou Ann	Weflen	lweflen@dakotaelectric.com	Dakota Electric Association	4300 220th Street West Farmington, MN 55024	Electronic Service	No	SPL_SL_14-482_Potentially Interested Parties