

**STATE OF MINNESOTA
BEFORE THE PUBLIC UTILITIES COMMISSION**

Nancy Lange	Chair
Dan Lipschultz	Vice Chair
Matt Schuerger	Commissioner
Katie Sieben	Commissioner
John Tuma	Commissioner

In the Matter of Dakota Electric’s Petition to
Implement Tracker Recovery for Advanced
Grid Infrastructure Investments

DOCKET NO. E111 / M-17-821

**COMMENTS OF THE OFFICE OF
THE ATTORNEY GENERAL**

I. INTRODUCTION

The Office of the Attorney General—Residential Utilities and Antitrust Division (“OAG”) respectfully submits the following comments on the Petition of Dakota Electric Association (“Dakota”) for approval of rider recovery for Advanced Grid Infrastructure (“AGi”) investments. Dakota has proposed two possible mechanisms for the Commission to allow rider recovery of these investments. Dakota also provides an analysis that it claims shows that deploying AGi technologies will benefit its members over the long term more than maintaining the status quo.¹

Minnesota Statutes explicitly allow for some utilities to recover some grid modernization costs through riders. Dakota, however, has not requested recovery under the statute that explicitly allows it. Instead, the cooperative has requested recovery under two different mechanisms that do not explicitly allow for rider recovery of AGi costs. Accordingly, the Commission will need to determine whether AGi costs can be recovered in one of the riders proposed by Dakota. If the Commission determines that Dakota can request recovery under one

¹ See Petition at 15-20.

of the riders it proposes, it will then need to consider whether Dakota has met the appropriate standards for that rider.

The OAG's comments focus on the legal issues raised by Dakota's proposal. Specifically, these comments will discuss whether Dakota can recover its AGi costs in one of the riders it has proposed. The OAG's comments will not address the cooperative's claim that its proposal will benefit customers more over the long term than maintaining the status quo. The OAG understands that the Department of Commerce will file comments discussing that issue.

II. BACKGROUND

Dakota requests rider recovery for three AGi investments: an Advanced Meter Infrastructure ("AMI") system, a Meter Data Management ("MDM") system, and an upgraded Load Management ("LM") system.² The AMI system is a communications network that would allow Dakota to receive more frequent energy consumption readings from its meters and communicate with other AGi systems.³ The MDM system is a data warehouse and hub to store the data generated by the AGi systems, while allowing the data to be retrieved, reported, and analyzed.⁴ The LM system is a mechanism that Dakota uses to remotely control the load of its customers who participate in a load management rate. An LM system can either be integrated into an AGi system or stand independently, although the cost and functionality of the LM system will differ depending on whether it is integrated into an AGi system. Currently, Dakota's LM system relies on a network of Load Control Receivers ("LCRs") located at each customer that act as a switch that Dakota can activate manually to reduce load.⁵

² Petition at 6.

³ *See id.*

⁴ *Id.*

⁵ *Id.*

Dakota cites two broad and interrelated reasons for its proposed AGi investments. First, portions of its current system are reaching the end of their useful lives, and that it must invest in new equipment to maintain operations.⁶ Second, that its proposed AGi investments would provide greater benefits to the cooperative and its customers than they would receive if Dakota simply replaced its existing systems.⁷ Therefore, Dakota argues that it should direct its investments toward AGi projects that will allow for these greater benefits.

III. OPTIONS FOR RIDER RECOVERY

Dakota claims that the Commission has three different mechanisms it can use to approve rider recovery of a utility's grid modernization investments. These mechanisms include the following: (1) using a transmission cost recovery ("TCR") rider under Minnesota Statutes section 216B.16, subdivision 7b ("TCR Statute"); (2) using an electric utility infrastructure ("EUI") cost rider under Minnesota Statutes section 216B.1636 ("EUI Statute"); and (3) using another rider that is not expressly defined by statute. While Dakota only requests recovery under two of these mechanisms—the EUI rider and non-statutory rider—it is important to discuss all of them because the TCR Rider allows recovery of specific grid modernization costs and applies specific standards that utilities must meet. The Commission should carefully consider these standards as it reviews whether Dakota's overall request to recover its AGi costs in a rider should be granted. Decisions expanding the use of riders for one utility can have far-reaching consequences because they can impact the use of riders by other utilities as well.

This section will explain each mechanism referred to by Dakota for rider recovery of its AGi costs. Specifically, it will outline the statutory provisions that apply to each mechanism and

⁶ See Petition at 15.

⁷ See *id.*

the applicable standards that must be met. This will provide a foundation for the Commission as it considers whether or not to grant Dakota rider recovery for AGi costs.

A. RECOVERY THROUGH THE TCR RIDER

The first mechanism that Dakota refers to is the TCR rider. Dakota does not request recovery of its proposed investments through a TCR rider, but this mechanism is important because the TCR Statute is the only statute that explicitly allows for rider recovery of investments made to modernize a utility's distribution system. For that reason, the TCR Statute provides insight into what the Legislature expects utilities to show in order to receive rider recovery for these investments.

The TCR Statute allows utilities operating under a multi-year rate plan to receive rider recovery of specific distribution costs that have gone through a robust approval process. This approval process is governed by Minnesota Statutes section 216B.2425 ("Planning Statute"). The Planning Statute requires that all utilities and transmission owners submit a transmission projects report ("TPS Report") to the Commission every two years.⁸ A utility operating under a multi-year rate plan must also submit a report that identifies specific "investments that it considers necessary to modernize the transmission and distribution system" ("Grid Modernization Report").⁹ The Grid Modernization Report must identify possible distribution projects that would provide the following benefits:

- Enhance reliability;
- Improve security against cyber and physical threats; and
- Increase energy conservation opportunities by facilitating communication between the utility and its customers through the use of two-way meters, control

⁸ Minn. Stat. § 216B.2425, subd. 2.

⁹ *Id.* at subd. 2(e).

technologies, energy storage and microgrids, technologies to enable demand response, and other innovative technologies.¹⁰

When the Commission receives a utility's TPS Report and Grid Modernization Report, it may certify specific projects that the utility identified. Having projects "certified" by the Commission allows utilities to request rider recovery through their TCR riders. The TCR Rider limits recovery of distribution costs to three specified categories: (1) the costs, net of revenues, of new distribution facilities that are "certified as a priority project"; (2) the costs associated with distribution planning required under section 216B.2425; and (3) investments in "distribution facilities to modernize the utility's grid that have been certified by the commission."¹¹

B. RECOVERY THROUGH THE EUI STATUTE

The second mechanism Dakota refers to is the EUI Statute. The EUI Statute allows the Commission to approve rider recovery of certain costs for utilities' EUI projects, including the rate of return, taxes on the rate of return, incremental property taxes, and the incremental depreciation expense.¹² The EUI Statute has two important provisions related to Dakota's Petition. First, the statute applies to only "electric utilities." The statute defines an "electric utility" as "a public utility as defined in section 216B.02 subdivision 4, that furnishes electric service to retail customers."¹³ Second, the EUI Statute allows rider recovery of "electric utility infrastructure projects." These are defined as projects owned by a utility that do one of two things:

1. [R]eplace or modify existing electric utility infrastructure, including utility-owned buildings, if the replacement or modification is shown to conserve energy or use energy more efficiently, consistent with section 216B.241, subdivision 1c; or

¹⁰ *Id.* at subd. 2(e).

¹¹ Minn. Stat. § 216B.16, subs. 7b(a)(1), (b)(4), and (b)(5).

¹² Minn. Stat. § 216B.1636 subd. 2 (2017).

¹³ *Id.* at subd. 1.

2. conserve energy or use energy more efficiently by using waste heat recovery converted into electricity as defined in section 216B.241, subdivision 1, paragraph (o).¹⁴

In order for the Commission to approve Dakota’s request, it will need to determine that Dakota is an “electric utility” as defined by the EUI Statute, and that its AGi projects are “electric utility infrastructure projects.”

C. RECOVERY THROUGH A NON-STATUTORY RIDER.

The third mechanism Dakota refers to is rider recovery in a non-statutory rider. Dakota states that the Commission could develop a rider for its grid modernization costs to be consistent with Minnesota Statutes section 216B.03 (“Rate Statute”).¹⁵ The Rate Statute provides that “[t]o the maximum reasonable extent, the Commission shall set rates to encourage energy conservation and renewable energy use” Dakota argues that this provision allows the Commission to establish other riders that do not have an explicit statutory provision in order to encourage energy conservation and renewable energy usage.

IV. ANALYSIS

The Commission will need to make several important decisions as it considers Dakota’s request. As a threshold matter, the Commission must decide whether grid modernization costs can be recovered in a rider other than the TCR Rider. If these costs can only be recovered in a TCR Rider, then Dakota’s request must be rejected. If, however, grid modernization costs can be recovered in another rider, then the Commission might be able to approve Dakota’s request if Dakota has met the standards of the applicable rider.

¹⁴ Minn. Stat. § 216B.1636 subd. 1(c) (2017).

¹⁵ Dakota’s Petition at 11 (“pursuant to both Minnesota Statute [§§] 216B.1636 and 216B.03, the [Commission] can approve an AGi tracker mechanism for the Cooperative.”)

A. RECOVERY OF AGI COSTS MAY BE LIMITED TO THE TCR RIDER.

Dakota does not request recovery of its AGI costs under the TCR Rider.¹⁶ The Commission will therefore need to determine whether rider recovery of grid modernization costs is *limited* to the TCR rider, or whether they can be recovered in another rider. To make this determination, the Commission will need to consider two possible ways to read the TCR Statute.

The first way to read the TCR Statute is that grid modernization costs can *only* be recovered in a TCR Rider. This reading relies on the fact that the TCR Statute is the only statute that explicitly allows for rider recovery of grid modernization costs. This suggests that the Legislature intended for these costs to be recovered in a specific way—i.e. in a TCR Rider. Put another way, if grid modernization costs could be recovered through different, already existing riders, then the Legislature would not have needed to amend section 216B.2425 to permit the inclusion of grid modernization costs in the rider.

This reading is also supported by the fact that the TCR Rider limits recovery of distribution costs to three specified categories, and that utilities must have their distribution costs approved by the process outlined in the Planning Statute. Put differently, the TCR Statute does not allow rider recovery of each and every grid modernization project that a utility undertakes. Rather, rider recovery is limited to projects that meet specific standards that have been reviewed and approved by the Commission. This suggests that the Legislature found these standards important and that the process outlined in the TCR Statute and Planning Statute should be

¹⁶ Dakota does not request recovery under the TCR Statute because it states that the Planning Statute permitting certification of grid modernization costs does not apply to Dakota. Minnesota Statutes section 216B.026, which allows cooperatives such as Dakota to elect for regulation by the Commission, provides that such regulation is made “pursuant to sections 216B.03 to 216B.23.” The Planning Statute is found in section 216B.2425, and as such does not apply to Dakota even though it has elected regulation. Further, the Planning Statute only applies to utilities that are operating under a multi-year rate plan, which Dakota is not currently operating under and has not proposed.

followed. Accordingly, under this reading, grid modernization costs can only be recovered in a TCR rider.

Dakota argues against this reading of the TCR Statute and suggests an alternative. Dakota argues that the TCR Statute shows a broader legislative intent to allow for rider recovery of utilities' grid modernization costs. Dakota's reasoning concludes that the TCR Rider does not *limit* recovery of grid modernization costs to one rider, but rather provides one explicit but non-exclusive path for recovery of grid modernization costs. In other words, the fact that the Legislature developed an explicit path for rider recovery of grid modernization costs shows that it wanted utilities to have this option, and implicitly grants the Commission authority to accomplish the result using other means. According to Dakota, the Commission should not use the fact that the Legislature developed one path for rider recovery as a reason to close other paths that may also exist. This reading of the TCR Statute would suggest that the Commission can allow recovery of grid modernization costs in other riders, such as the EUI Rider or another rider developed by the Commission.

There are some important policy consequences of Dakota's reading of the TCR Statute that the Commission should consider. Most importantly, Dakota's reading would presumably apply to all utilities. Dakota states that it has not requested recovery of its grid modernization costs in a TCR Rider because it does not qualify. If other recovery mechanisms are open to Dakota, however, they are presumably open to all utilities, even if these utilities qualify for recovery under the TCR Statute. This would mean that investor-owned utilities like Xcel, Minnesota Power, and Otter Tail Power could also request rider recovery of their grid modernization costs without going through the process the Legislature designed in the TCR Statute and the Planning Statute.

Similarly, Dakota’s reading of the TCR Statute calls into question the value of the process established in the Planning Statute. Specifically, Dakota’s reading suggests that the process outlined in the Planning Statute was simply *a* process that the Legislature developed to approve rider recovery, but that it should not be the *only* process. If this is the case, then the Commission will need to consider why the Legislature developed a process that limited the grid modification costs that could be recovered in a rider. If utilities can simply bypass this process by requesting recovery under a different rider, then it is not clear that the Planning Statute would have any purpose or provide any value.¹⁷ The Commission will need to consider these issues as it weighs whether it can approve Dakota’s request.

B. ALLOWING RIDER RECOVERY OF AGI COSTS THROUGH OTHER RIDERS PRESENTS ADDITIONAL QUESTIONS.

If the Commission determines that utilities can recover grid modernization costs through a different rider, it will need to consider whether these costs can be recovered in either of the riders proposed by Dakota. These are the EUI Rider or another rider developed by the Commission under the Rate Statute. Each of these riders present their own unique questions for the Commission to consider.

1. EUI Statute

If the Commission agrees that the Legislature intended for grid modernization costs to be recovered through a rider other than the TCR rider, the Commission will need to consider two issues as it considers Dakota’s request for recovery under the EUI Statute. First, the Commission will need to determine whether Dakota is eligible for an EUI rider as an “electric utility.” Second, if the Commission determines that Dakota is eligible for an EUI rider, it will

¹⁷ See Minn. Stat. §645.17(2) (“[T]he Legislature intends the entire statute to be effective and certain.”).

need to determine whether Dakota has “shown” that its projects will “conserve energy or use energy more efficiently, consistent with section 216B.241, subdivision 1c.”

The Commission will first need to consider whether Dakota is an “electric utility,” as defined by the EUI Statute. As stated above, the EUI Statute defines an “electric utility” to be “a public utility as defined in section 216B.02 subdivision 4, that furnishes electric service to retail customers.” The definition of a “public utility” in Section 216B.02, subdivision 4 specifically provides that a “cooperative electric association organized under the provisions of chapter 308A”—like Dakota—is not a “public utility.” This would initially suggest that Dakota is not subject to the EUI Statute because it is not a “public utility” and, therefore, not an “electric utility” under the EUI Statute.

Dakota disputes this reading of the EUI Statute. Dakota argues that it has elected to become rate regulated, which subjects the cooperative to the provisions of Minnesota Statutes sections 216B.03 to 216.23.¹⁸ These statutes normally apply only to “public utilities.” Since the EUI Statute also falls within the provisions of Minnesota Statutes sections 216B.03 to 216.23, Dakota argues that it should also be considered an “electric utility” as defined by the EUI Statute.

Dakota’s argument, however, has one significant problem: the EUI Statute appears to explicitly reject the cooperative’s interpretation. The EUI Statute defines an electric utility to be “a public utility *as defined in section 216B.02 subdivision 4 . . .*”¹⁹ This is unique. The other statutes that Dakota is subject to do *not* apply explicitly to public utilities “as defined by section 216B.02 subdivision 4.” For example, the Rate Statute states explicitly that it applies to rates

¹⁸ See Dakota’s Petition at 9-11; Minn. Stat. § 216B.026.

¹⁹ Minn. Stat. § 216B.16 subd. 1 (Emphasis added).

“made, demanded, or received by *any public utility . . .*”²⁰ Other statutes likewise apply on their faces to only “public utilities.”²¹ The additional language in the EUI Statute limiting its application could be read to explicitly exclude Dakota and other cooperatives, even if they have chosen to become rate regulated. The Commission will need to decide what impact this additional language in the EUI Statute has on Dakota’s request.

If the Commission determines that the EUI Statute is available to Dakota, it will then need to decide whether the cooperative has sufficiently shown that its projects will “conserve energy or use energy more efficiently, consistent with section 216B.241, subdivision 1c.” Minnesota Statute section 216B.241, subdivision 1c (“CIP Statute”) directs the Commissioner of Commerce to establish energy-saving goals for utilities’ conservation improvement expenditures, and to evaluate utilities’ progress toward meeting these goals.²² The CIP Statute provides filing requirements, procedures to establish how to calculate energy savings, and other terms for utilities.²³ The CIP Statute also states that utilities may count energy savings generated from EUI projects toward their energy-savings goals, but only if they can show that the savings are greater than the savings that would have resulted from normal maintenance:

A utility or association may include in its energy conservation plan energy savings from electric utility infrastructure projects approved by the commission under section 216B.1636 or waste heat recovery converted into electricity projects that may count as energy savings in addition to a minimum energy-savings goal of at least one percent for energy conservation improvements. Energy savings from electric utility infrastructure projects, as defined in section 216B.1636, may be included in the energy conservation plan of a municipal utility or cooperative electric association. Electric utility infrastructure projects must result in increased

²⁰ Minn. Stat. § 216B.03 (2017) (emphasis added).

²¹ See e.g. Minn. Stat. § 216B.07 (2017) (No public utility shall . . . make or grant any unreasonable preference or advantage any person or subject any person to any unreasonable prejudice or disadvantage.”); Minn. Stat. § 216B.16 Subd. 1 (“ . . . no public utility shall change a rate which has been duly established under this chapter, except upon 60 days’ notice to the commission.”)

²² Minn. Stat. § 216B.241 subd. 1c(a).

²³ Minn. Stat. § 216B.241 subd. 1c.

energy efficiency greater than that which would have occurred through normal maintenance activity.²⁴

For Dakota to show that its AGi investments will conserve energy “consistent with” the CIP Statute, it needs to show that these costs will increase energy efficiency greater than would have occurred through normal maintenance activity.

Dakota states that its proposed AGi costs will conserve energy greater than normal maintenance activity. The issue in this case, however, is whether and to what degree Dakota needs to quantify the proposed energy savings. The CIP Statute contemplates that a utility can count savings from EUI projects toward its energy savings goal. Accordingly, a utility must provide evidence quantifying the amount of savings it will receive from its EUI project in its CIP reports. Since the EUI Rider is limited to projects that are “shown” to conserve energy “consistent with” the CIP Statute, it appears that Dakota may need to provide evidence quantifying the energy savings it expects from its AGi costs.

Dakota’s Petition, however, does not provide this level of specificity. Rather, the cooperative merely states that its AGi investments “will allow [Dakota] to operate the distribution system more efficiently and size equipment properly, all of which will conserve energy and use energy more efficiently.”²⁵ In addition, the cooperative claims that a “soft benefit” of its system is that it will provide “improved information” to its members to help them conserve energy.²⁶ The OAG asked Dakota whether it had any information quantifying the projected impact of this “soft benefit,” and Dakota responded that it did not.²⁷ As a result, Dakota has not quantified the projected energy savings that would result from its AGi costs,

²⁴ Minn. Stat. § 216B.241 subd. 1c(d).

²⁵ Petition at 23.

²⁶ *Id.* at 20.

²⁷ Dakota’s response to OAG IR 007, attached as Ex. A.

although it expects that some energy savings will occur. The Commission will need to decide whether the information provided by Dakota on its presumed energy savings is sufficient for it (and other utilities) to recover grid modernization costs through an EUI rider. The Commission will also need to consider whether predictable grid modernization activities such as AMI are the types of activities that should be counted towards energy savings goals under the CIP statute both for Dakota and for other utilities. In particular, the Commission should consider what allowing these types of investments would mean for the CIP program going forward and the significance of allowing recovery of AMI through the EUI statute (which has not been used by any utility to date).

2. Non-Statutory Rider

Finally, Dakota requests recovery of its AGI costs in a non-statutory rider. Specifically, Dakota states that the Commission can develop a rider that is not explicitly authorized by statute in order to encourage conservation and energy efficiency. To address this proposal, the Commission will need to consider two issues. First, the Commission will need to determine whether the general language in the Rate Statute allows it to develop additional riders for grid-modernization costs. Second, if the Commission determines that it can develop another rider, it will need to determine whether Dakota has demonstrated that its specific proposal encourages conservation to the “maximum reasonable extent.”

The Commission needs to consider whether the Rate Statute authorizes it to develop additional riders for utilities to recover their grid modernization costs. The argument that the Commission has the authority to create non-statutory riders could extend beyond the confines of this proceeding or Dakota’s grid modernization program. The fact that the Legislature has created a variety of riders through new statutes, and the limit on rate changes in Minnesota Statutes section 216B.16, appears to suggest that the Legislature did not intend to give the

Commission authority to create non-statutory riders. The OAG is not aware of any instance in which the Commission has granted a rider that is not explicitly authorized by its own statute. Moreover, even if the Commission can generally grant non-statutory riders, Dakota's request presents the question—addressed above—about whether the TCR Statute *limits* rider recovery of grid modernization costs to the TCR Rider. If the Commission finds that it cannot authorize recovery of grid modernization costs in another rider, Dakota's request should be rejected.

If, however, the Commission determines that it can allow recovery of grid modernization costs in a non-statutory rider, it will need to determine whether the cooperative's proposal promotes energy conservation and efficiency to the maximum reasonable extent. Here, Dakota asks the Commission to approve its proposed rider because it will allow the cooperative to deploy AGi technologies, which will presumably allow for greater energy conservation and efficiency. As stated above, Dakota has not quantified the conservation or efficiency gains that it expects to achieve with these technologies. Moreover, Dakota could purchase these technologies without receiving rider recovery. The OAG asked Dakota whether the company planned to deploy the AGi technologies it outlined, even if its request is denied. Dakota's response stated that it had not developed plans for the event that the Commission does not approve its request.²⁸ This makes it difficult to determine whether Dakota's request is needed to achieve the unknown energy savings that these AGi technologies will provide. The Commission will need to consider this as it decides whether approving Dakota's request would promote conservation and energy efficiency to the "maximum reasonable extent."

²⁸ Dakota's response to OAG IR 008, attached as Ex. B.

C. ALTERNATIVES TO RIDER RECOVERY.

The OAG understands that one reason for Dakota's request is that the timing of the planning AGi investments does not line up well with the plan for filing Dakota's next rate case. If, after considering the issues discussed above, the Commission concludes that Dakota does not have the opportunity to recover its AGi costs through a rider, there are other options available to Dakota to recover costs of its planned investment. For example, Dakota could simply shift the timing of its planned rate case. The OAG recognizes that rate cases are an extraordinary expense for a cooperative utility such as Dakota, but it appears that Dakota would have sufficient lead time to adjust its plans if necessary. Alternatively, Dakota could consider a limited multi-year rate plan, which would allow it to incorporate capital investments or O&M costs related to the AGi initiative outside of the initial test year of its next rate case. In short, there are other regulatory tools to allow timely recovery of Dakota's AGi costs if they are not recovered through a rider.

V. CONCLUSION

Dakota has not requested rider recovery for its proposed AGi costs under the statute that explicitly allows it. As a result, the Commission cannot limit its review to determining whether the utility's proposal is reasonable or will generally benefit its members. The Commission must

also determine whether grid modernization costs can be recovered in one of the riders proposed by Dakota and, if so, whether Dakota has met the standards of its proposed riders.

Dated: January 19, 2018

Respectfully submitted,

LORI SWANSON
Attorney General
State of Minnesota

s/ **Ian Dobson**

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ATTORNEYS FOR OFFICE OF THE
ATTORNEY GENERAL – RESIDENTIAL
UTILITIES AND ANTITRUST DIVISION

Dakota Electric Association

Response to

State of Minnesota
Office of the Attorney General

Utility Information Request

Docket Number: *E-111/M-17-821*
Request Number: *007*
Requested By: *Ian Dobson*
Date of Request: *December 5, 2017*
Response Prepared By: *Doug Larson*
Dakota Electric Association
651-463-6258
Date of Response: *December 13, 2017*

OAG No. 007

Reference: “Soft” benefits identified on pages 16-17 of Dakota’s Petition

Identify whether Dakota quantified the potential impacts on any or all of the “soft” benefits listed. To the extent that Dakota quantified any or all of these potential impacts, provide the results of Dakota’s analysis and the assumptions used to generate those results.

Answer

The impact of the soft benefits was not quantified by Dakota Electric. Soft benefits are just what the name implies - soft. They are difficult to estimate or do not affect Dakota Electric’s operating expenses. Dakota Electric has identified potential soft benefits, but not included them in the Business Case analysis. For example, while there will be environmental benefits from driving fewer miles, this does not impact the Dakota Electric bottom line. (The reduction in vehicle costs is included in the reduction in meter reading costs.) Similarly, the safety of our employees is very important to Dakota Electric and is considered a very important benefit for Dakota Electric. Less miles driven, means the potential for fewer accidents. Not removing the meter for disconnects means less risk of arc-flash events and less potential for damaged meter sockets. All of these have the potential for reducing costs, but the dollar impact is not known. Finally, improved service is very important to a successful Cooperative. The AGi system will help us improve service to our members. Having the information at our fingertips to allow us to answer a member’s questions on the first call, will help make everyone more efficient. With the AGi project, however, Dakota Electric is not planning on reducing our staff in the area of member service.

Dakota Electric Association

Response to

State of Minnesota
Office of the Attorney General

Utility Information Request

Docket Number: E-111/M-17-821
Request Number: 008
Requested By: Ian Dobson
Date of Request: December 7, 2017
Response Prepared By: Doug Larson
Dakota Electric Association
651-463-6258
Date of Response: December 13, 2017

OAG No. 008

If Dakota’s proposed AGi Rider is denied by the Commission, does the Cooperative anticipate proceeding on the “Status Quo” scenario or on the AGi Technology scenario. If the Cooperative intends to proceed on the “Status Quo” scenario, identify all costs, by calendar year, that the Cooperative anticipates to implement the scenario between 2018 and 2024.

Answer

The Dakota Electric Board of Directors authorized staff to seek MPUC approval for a recovery mechanism of AGi costs between future general rate cases. Plans have not been developed for a course of action if the AGi Rider is not approved.



LORI SWANSON
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OFFICE OF THE ATTORNEY GENERAL

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January 19, 2018

Mr. Daniel Wolf, Executive Secretary
Minnesota Public Utilities Commission
121 Seventh Place East, Suite 350
St. Paul, MN 55101-2147

**Re: *In the Matter of Dakota Electric's Petition to Implement Tracker Recovery for
Advanced Grid Infrastructure Investments***
MPUC Docket No. E-111 / M-17-821

Dear Mr. Wolf:

Enclosed and e-filed in the above-referenced matter please find Comments of the Minnesota Office of the Attorney General – Residential Utilities and Antitrust.

By copy of this letter all parties have been served. An Affidavit of Service is also enclosed.

Sincerely,

s/ **Ian Dobson**

IAN DOBSON

Assistant Attorney General

(651) 757-1432 (Voice)

(651) 296-9663 (Fax)

Enclosure

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Generic Notice	Commerce Attorneys	commerce.attorneys@ag.state.mn.us	Office of the Attorney General-DOC	445 Minnesota Street Suite 1800 St. Paul, MN 55101	Electronic Service	Yes	OFF_SL_17-821_M-17-821
Ian	Dobson	Residential.Utilities@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012130	Electronic Service	Yes	OFF_SL_17-821_M-17-821
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 280 Saint Paul, MN 551012198	Electronic Service	No	OFF_SL_17-821_M-17-821
Corey	Hintz	chintz@dakotaelectric.com	Dakota Electric Association	4300 220th Street Farmington, MN 550249583	Electronic Service	No	OFF_SL_17-821_M-17-821
Douglas	Larson	dlarson@dakotaelectric.com	Dakota Electric Association	4300 220th St W Farmington, MN 55024	Electronic Service	No	OFF_SL_17-821_M-17-821
Pam	Marshall	pam@energycents.org	Energy CENTS Coalition	823 7th St E St. Paul, MN 55106	Electronic Service	No	OFF_SL_17-821_M-17-821
David	Moeller	dmoeller@allete.com	Minnesota Power	30 W Superior St Duluth, MN 558022093	Electronic Service	No	OFF_SL_17-821_M-17-821
Eric	Swanson	eswanson@winthrop.com	Winthrop & Weinstine	225 S 6th St Ste 3500 Capella Tower Minneapolis, MN 554024629	Electronic Service	No	OFF_SL_17-821_M-17-821
Daniel P	Wolf	dan.wolf@state.mn.us	Public Utilities Commission	121 7th Place East Suite 350 St. Paul, MN 551012147	Electronic Service	Yes	OFF_SL_17-821_M-17-821