



February 20, 2026

Sasha Bergman, Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
Saint Paul, MN 55101-2147

Subject: Dakota Electric Association Reply Comments

***In the Matter of the Petition of Dakota Electric Association to Modify its
Extension of Service Tariff
Docket No. E-111/M-25-442***

Dear Ms. Bergman:

On December 31, 2025, Dakota Electric Association (Dakota Electric or Cooperative) filed a petition with the Minnesota Public Utilities Commission (Commission) requesting approval of a coordinated set of changes to its residential disconnection and reconnection framework, including settlement-driven deposit and reconnection modifications and a variance to Minn. R. 7820.2500 to allow expanded use of AGI-enabled remote disconnections to address employee-safety risks while ensuring members are afforded effective notice and opportunity to resolve arrears. As part of this integrated proposal, recognizing that expanded remote disconnection must be paired with member safeguards, Dakota Electric indicated its willingness to implement temporary remote reconnections during extreme-heat and poor-air-quality events to ensure the remote-disconnection variance is balanced with robust health and safety protections.

On February 10, 2026, Initial Comments were filed by the Minnesota Department of Commerce, Division of Energy Resources (Department); the Minnesota Office of the Attorney General, Residential Utilities Division (OAG); and the Citizens Utility Board of Minnesota, Legal Services Advocacy Project, and the Energy CENTS Coalition (CUB/LSAP/ECC). The Department's Comments supported approval of Dakota Electric's deposit-structure revisions and approval of a one-year variance to Minn. R. 7820.2500, conditioned on enhanced member-notification requirements, added protections for vulnerable adults, and conforming tariff updates, as well as adjustments to remote reconnections during extreme-heat and poor air quality events. The OAG recommended approving the Cooperative's proposed residential deposit-related reconnection changes with modifications. It further recommended that the Commission deny the requested remote-disconnection variance or, if granted, limit the variance to one year and condition it on all protections required for Xcel's variance, continued certified-mail notice, a prohibition on remotely disconnecting customers with current or lapsed medical certifications or known medical needs, and tracking of cost savings. CUB/LSAP/ECC recommended that the Commission reject Dakota Electric's revised service-deposit proposal and instead prohibit both deposits and upfront arrears payments as prerequisites for restoring residential service. They further recommended that the Commission deny the requested remote-disconnection variance, while still requiring Dakota Electric to implement temporary remote reconnections during extreme-heat and poor air quality events, subject to additional conditions.

Dakota Electric acknowledges the complexity and importance of the issues raised by its Petition and appreciates the careful review provided by the OAG, Department, and CUB/LSAP/ECC. While some parties have characterized the deposit-policy revisions and remote-disconnection variance as separate matters, they are interrelated components of the same residential disconnection and reconnection framework and share overlapping tariff provisions, processes, and member-protection considerations. It is therefore both reasonable and administratively efficient to evaluate these elements together. Dakota Electric also emphasizes that its request to expand AGI-enabled remote disconnection is

rooted in employee- and public-safety concerns, as the longstanding in-person visit requirement no longer reflects modern safety realities and is increasingly ineffective as a final contact method. To keep member protections central, the Cooperative has proposed complementary safeguards—suspending disconnections and providing temporary remote reconnections during extreme heat and high air quality index (AQI) events—so that the safety-driven operational changes remain balanced and in the public interest. Dakota Electric addresses the parties’ specific recommendations below.

Before addressing the various concerns raised regarding our proposed service deposit tariff modification and our remote disconnection variance request, the Cooperative specifically addresses the OAG’s overarching concern regarding Dakota Electric’s decision to make both of these proposals in a single filing. Contrary to the OAG’s assertion that Dakota Electric’s request to vary the in-person disconnection rule “faces none of the same urgency,”¹ the Cooperative’s proposal to suspend the in-person visit requirement is equally urgent and necessary. Although the proposed timing for deposit-policy changes aligns with the rate-case Settlement Agreement, the Cooperative determined that the requested disconnection variance warranted prompt Commission action to mitigate present, preventable field-safety risks and to modernize a requirement that no longer reflects how many members expect to interact with their utility. Furthermore, the fact that these processes are memorialized on separate tariff sheets, does not mean that they are separate issues. Service deposits and disconnect/reconnect are significantly related and overlap from an operational standpoint, especially from a billing and member service perspective. Dakota Electric combined these requests in a single filing to ensure a coordinated approach to disconnection and reconnection policies, fulfill our Settlement Agreement obligations, enhance the safety of our employees, and improve the effectiveness of our communications with members regarding disconnections and the resources available to help them maintain service.

¹ OAG Comments, Page 5.

In addition, Dakota Electric believes it is important to reiterate the fact that we are not an investor-owned utility. Dakota Electric is a member owned cooperative, governed by a member-elected Board of Directors; our only shareholders are the member consumers we serve. Dakota Electric's policies around member deposits and disconnection/reconnection are designed, first and foremost, to comply with Minnesota law and rules and then also to balance the interests of all members. The Cooperative's variance request was not conceived to increase fee revenue or as an additional cost savings measure, the variance is a proactive response to tangible safety risks that exist for our employees and the general public. Dakota Electric takes seriously the concerns raised by the parties in this docket and attempts to address them in these reply comments. The Cooperative responds to various concerns and topics raised in party comments separately below. We also present a modification to our variance proposal that we believe addresses certain concerns from parties while also mitigating risks to our employees.

Reconnection Policy Changes Related to Customer Deposits

With respect to the Cooperative's proposed modifications to its reconnection policy for Residential customer deposits, because Dakota Electric is owned by its members, any costs not recovered through payment arrangements or collections are ultimately carried by our members. Guided by this reality, the Cooperative worked with the Department and the OAG to craft residential reconnection changes that balance moderating burdens on payment-troubled households against the costs shouldered by the broader membership when bills go unpaid.

The Department recommended that the Commission approve Dakota's proposed deposit structure, concluding the proposal is consistent with what was discussed in the meeting and the settlement agreement.² The OAG similarly expressed appreciation for Dakota Electric's movement from its previous policy, and agreed that the Cooperative's

² Department Comments, Page 10.

proposed three-tiered framework is generally acceptable.³ However, the OAG proposed one clarification and three modifications to the proposed tariff language. The Cooperative acknowledges and discusses these observations in greater detail below.

First, the OAG recommended clarifying that Dakota Electric must comply with applicable law related to offering payment arrangements for arrears.⁴ In particular, the OAG expressed concern with the Cooperative's description in its filing that for the third disconnection, Dakota Electric "*may offer the member a payment plan.*"⁵ Dakota Electric acknowledges the OAG's concern and provides some additional explanation regarding the different language for the third and subsequent instances of disconnection. The Cooperative recommended this modification to account for instances where a member is not making efforts (*i.e.*, making arrangement and then paying nothing) toward satisfying the payment arrangement. It may be worthwhile for the Commission to provide guidance on this matter, namely whether offering a payment arrangement is required after multiple prior arrangements have been made and broken, and if so, whether a utility can consider performance when negotiating subsequent payment arrangements. Dakota Electric affirms that it will implement the revised deposit policy in compliance with applicable law, including Minn. Stat. §216B.098, subd. 3, and Commission Orders.

Second, the OAG proposed modifications to the Cooperative's tariff language to clarify that the deposit amount for a third disconnection will be reduced by any paid amount of the previous deposit.⁶ Dakota Electric agrees that any deposit already paid will be credited, and the upfront deposit after a third disconnection will be reduced by that credited amount even if those funds were applied to the delinquent bill. As explained in the Cooperative's Petition, for all subsequent disconnections, "[a]ny unpaid amount of the deposit in part 2 will be due upfront and not eligible for inclusion in the

³ OAG Comments, Page 6.

⁴ OAG Comments, Pages 6-7.

⁵ OAG Comments, Page 7 (citing Dakota Electric Petition at 11 (emphasis added)).

⁶ OAG Comments, Page 8, Attachment 1.

member's payment plan. The member will be responsible for the Commission approved reconnection fee and any outstanding delinquent balance.”⁷

Third, the OAG recommended removing bankruptcy from the list of extenuating circumstances where Dakota Electric may impose a deposit outside the proposed structure.⁸ The OAG questioned how Dakota Electric would know a member has filed for bankruptcy and suggested the inclusion of bankruptcy as a condition for requiring a deposit could invite subjective deposit practices.

Requiring a deposit upon a bankruptcy filing is a well-established and lawful practice.⁹ Under the Bankruptcy Code, residential members who file for bankruptcy are protected from disconnection based on pre-petition arrears—a utility cannot refuse or discontinue service solely because the member filed bankruptcy or because pre-filing debts were unpaid. In exchange for that protection, the utility can require adequate assurance of payment in the form of a deposit for ongoing service after the bankruptcy is filed, but must request the deposit within the timelines set forth in the Bankruptcy Code.¹⁰ Dakota Electric receives formal notices of residential bankruptcies and updates account status accordingly; no subjective screening is used. Because the Bankruptcy Code authorizes the Cooperative to obtain adequate-assurance deposits when a member files bankruptcy, and Minn. R. 7820.4500 governs transparent handling of those deposits (interest, refund, application), requiring a deposit in bankruptcy is a reasonable way to guard against nonpayment that would otherwise be borne by other cooperative members; by contrast, waiting for two disconnections under the proposed tiered deposit structure requires the Cooperative to forgo the Bankruptcy Code's assurance protections and transfer that exposure to the rest of the membership. While we continue to believe that including bankruptcy as an extenuating circumstance is reasonable and supported, the number of members affected each year is small; accordingly, we do not oppose the

⁷ Dakota Electric Petition, Page 11.

⁸ OAG Comments, Pages 8-9.

⁹ For example, Xcel similarly requires customer deposits when a residential customer has filed for bankruptcy. *See In the Matter of Utility Cold Weather Rule and Residential Customer Status Data*, Docket No. E,G999/PR-25-02, Xcel Energy Compliance Filing (Sept. 24, 2025).

¹⁰ *See* 11 U.S.C. § 366(b)–(c).

OAG's recommendation to remove "bankruptcy" from the tariff language or to otherwise clarify the extenuating circumstances under which a deposit may be assessed if required by the Commission.

Finally, the OAG opposed Dakota Electric's proposal to apply the tiered deposit requirements only to those members who are disconnected from service for less than 90 days. Instead, the OAG contended that Dakota Electric should treat members who have received service in the past six months as "existing customers" subject to the proposed tiered reconnection deposit provisions.¹¹ Dakota Electric acknowledges the distinction made in rules between "existing" and "new" customers but notes that under the plain language of these rules, the Cooperative is permitted to require a deposit for any existing service where "the service of the customer has been disconnected or has been liable for disconnect for nonpayment of a bill which is not in dispute."¹² As a result, no variance is required to limit application to the proposed tiered deposit structure to those members who have been disconnected from service for less than 90 days. The Cooperative also proposed the 90 day measure because, in our operational experience, once a member reaches 90 days since disconnection for nonpayment, they have likely left our lines. Nevertheless, to promote consensus and given these operational observations, the Cooperative accepts the OAG's proposed modification to extend the tiered-deposit framework to residential accounts disconnected for up to six months.

In contrast to the Department and OAG, who generally support the Cooperative's proposed changes to deposit requirements, CUB/ECC/LSAP proposed that the Commission "require Dakota Electric to remove service deposits and the upfront payment of arrears as a condition of reconnecting residential utility service."¹³ The Cooperative responds first by noting that assessing reasonable service deposits for second and third

¹¹ OAG Comments, Pages 9-10.

¹² Minn. R. 7820.4400. "Existing service" means service presently being extended to a customer or which has been extended to a customer within the past six months.

¹³ CUB/ECC/LSAP Comments, Page 10.

instances of disconnection for nonpayment within the same 12-month period as proposed does not “create an unreasonable barrier to the resumption of service.”¹⁴

As a member-owned cooperative, Dakota Electric Association does not have shareholders who can absorb the financial impacts of nonpayment; any unrecovered costs are borne directly by our members, who are also our owners. For this reason, applying a service deposit only after a demonstrated pattern of nonpayment—such as a second or third disconnection—is a measured approach that protects the broader membership while still allowing the affected member reasonable avenues to restore service. Further, CUB/ECC/LSAP’s suggestion that requiring a service deposit in cases where a member has already been disconnected for nonpayment two or more times in one year undermines efforts to reduce uncollectible expense¹⁵ does not align with the purpose of a service deposit. Under applicable rules, deposits are intended to help ensure payment and may be applied to unpaid delinquent bills with notice, directly reducing bad debt.

Under our proposal, a second disconnection triggers a service deposit of up to two months’ average bill, but that amount may be rolled into the member’s payment plan that is mutually agreeable and that takes into account the member’s financial conditions and any extenuating household circumstances, consistent with Minnesota Statute § 216B.098. For subsequent disconnections, any unpaid portion of the deposit assessed at the second disconnection must be paid upfront and is not eligible for inclusion in a payment plan. However, the member can enter into a payment plan for the outstanding arrears considering the member’s financial circumstances and any extenuating household circumstances, consistent with Minn. Stat. § 216B.098. With these safeguards in place, the proposed deposit requirements are both reasonable and appropriately flexible, ensuring that costs associated with repeated nonpayment are not unfairly shifted to

¹⁴ CUB/ECC/LSAP Comments, Page 3.

¹⁵ CUB/ECC/LSAP Comments, Page 4.

other cooperative members while still supporting service restoration for households experiencing financial difficulty.

As detailed in the Cooperative's petition, "Dakota Electric sees disconnection for non-payment as a last resort and deploys multiple strategies to minimize this outcome."¹⁶ While we share in CUB/ECC/LSAP's interest that reconnection policies do not make restoration of service unduly difficult or impossible, Dakota Electric believes the changes we have proposed to our reconnection and service deposit policies and associated tariffs represent the appropriate balance between helping lessen the burden for members experiencing difficulty paying their electric bills and rate impacts to the greater membership.

CUB/LSAP/ECC also questioned whether Dakota Electric's proposal will comply with applicable regulatory requirements, including the payment of interest on deposits.¹⁷ Dakota Electric's proposal will fully comply with applicable rules related to service deposits contained in Minn. R. 7820.4100-4700, including the rules on deposit interest and refunds. First, the service deposit component of customer payments under payment arrangements will be separately tracked. Additionally, Dakota Electric will apply interest to customer deposits in accordance with Minn. R. 7820.4500. Interest will accrue on each deposit installment from the date received and will be credited to the electric bill printed in December or to the final bill, whichever occurs first. As permitted by Minn. R. 7820.4500, any existing deposit may be applied to a delinquent bill with notice; when that occurs, the amount of deposit held to the member's account will be reduced by the amount credited to the outstanding bill. Finally, if a member maintains a good payment record for one year, all deposit amounts will be refunded. A good payment record is defined as payment of electric bills within 25 days of the due date each of the preceding 12 months. The 12-month period may run concurrently with the payment arrangement.

¹⁶ Dakota Electric Petition, Page 10.

¹⁷ CUB/LSAP/ECC Comments, Page 5.

After 12 consecutive months of on-time payment of the entire bill (current charges, arrears plan, and deposit plan), the deposit will be returned with accrued interest.¹⁸

Remote Disconnection Variance Request

Field staff are currently obligated to conduct on-site pre-disconnection visits under a rule that has remained unchanged since the early 1980s, long before the advanced metering infrastructure and modern communication channels included in our AGi metering and systems existed. These in-person visits expose employees to significant and preventable risks—from hostile or unpredictable encounters to unsafe property conditions—even though they have become increasingly ineffective at preventing disconnections and the same final-notice step can be handled remotely without reducing consumer protections.

The in-person visit requirement does not serve our members effectively in today’s environment. Many members are understandably reluctant to open their doors to unfamiliar individuals, even uniformed utility employees with identification. As a result, these visits have become an increasingly ineffective means to connect our members with payment assistance resources or address member arrears through payment arrangements or prevent disconnections because members simply do not answer the door. While it is the Cooperative’s practice to leave behind a door hanger with additional information to ensure the member is aware they are at risk of disconnection, and how to avoid being disconnected, that same information can effectively be provided to members through first class mailings. Remote disconnection, by contrast, preserves consumer protections—multiple notices, payment-plan opportunities, and extensive outreach—without requiring a doorstep interaction. As explained in the Cooperative’s Petition, Dakota Electric treats disconnection as a last

¹⁸ CUB/LSAP/ECC state that “the Cooperative has not explained how it will calculate the 12-month refund period in light of members being allowed to contribute to a service deposit over the life of a payment arrangement. That period could either run concurrently with the payment arrangement or begin after such arrangement has already been completed.” CUB/LSAP/ECC Comments, Page 5. Dakota Electric clarifies that the 12-month period would run concurrently with the payment arrangement. The payment arrangement may not be the length of the deposit held. Once all the deposit is paid in full, the month process starts.

resort. The requested variance simply replaces an outdated and unsafe in-person step with alternative communication tools while maintaining consumer protections.

Building on that framework, it is important to clarify the nature of the Cooperative's temporary reconnection proposal. Dakota Electric would conduct remote reconnections during extreme-heat and high-AQI events only if the Commission approves the variance to permit remote disconnection for residential customers. These two capabilities are operationally linked—both rely on the same AGi functionality and the same internal processes—and our proposal reflects the system changes necessary to support them as a single, coherent workflow. As a cooperative, with lean staffing, it is not efficient or practical to operate two divergent processes—one requiring field deployment and one remote. Pairing remote disconnection with remote reconnection ensures clear, consistent procedures and effective member communications while preserving all consumer protections.

As noted above, the OAG and CUB/LSAP/ECC recommended that the Commission deny Dakota Electric's variance request. In particular, the OAG stated Dakota Electric has not provided a sufficient showing to meet the rule variance requirements because it has not shown that enforcement of the rule imposes an excessive burden or that granting the requested variance would not adversely affect the public interest.¹⁹ CUB/LSAP/ECC similarly concluded that the requested variance is "disproportionate to the concerns raised."²⁰ These parties also concluded that the Cooperative's existing known safety variance adequately addresses the concerns raised in the petition. Further, both the OAG and CUB/LSAP/ECC expressed concern that authorizing a variance to the in-person visit requirement for residential disconnections will drive a significant increase in the number of disconnections based on trends observed for Xcel Energy. The OAG further asserts the proposed variance would "place members that may have a medical need for electricity at added risk of disconnection."²¹ The OAG also recommended that if the Commission does grant the requested variance, it should

¹⁹ OAG Comments, Pages 10-11.

²⁰ CUB/LSAP/ECC Comments, Page 7.

²¹ OAG Comments, Pages 17-18.

condition it on requiring all the same protections required for Xcel’s variance, continued certified-mail notice, a prohibition on remotely disconnecting customers with current or lapsed medical certifications or known medical needs, and tracking of cost savings.²² Finally, the Department recommended minor modifications and extensive reporting requirements.²³

The Cooperative addresses specific requests and concerns below.

Nature of Current Variance

The OAG and CUB/LSAP/ECC provided extensive discussion regarding Dakota Electric’s currently approved variance for known safety concerns. Both parties concluded that the current variance adequately addresses the safety concerns raised by the Cooperative in the pending variance request, especially in light of the expanded nature of the variance request compared to the currently approved known safety variance.²⁴ Dakota Electric respectfully disagrees that the existing known-safety variance adequately addresses the concerns underlying the current request. The existing variance applies only in narrow, pre-identified circumstances—such as locations requiring police escort or properties with known hazardous conditions—and does not address the routine, day-to-day safety risks inherent in mandatory in-person disconnection visits across the full membership. These classifications only encompass approximately 120 out of 112,000 members—well under 1 percent—and are based on limited, specific triggers, such as a documented history of police activity, prior unsafe encounters, or a member’s self-designation that their dog poses a safety risk. However, as Dakota Electric explained, employee-safety risks are not confined to this narrow set of addresses: field staff routinely encounter unpredictable behaviors, unsafe property conditions, and elevated tension during disconnection visits even when an account has no prior safety flag. As a result, the existing variance does not fully or adequately mitigate the risks inherent in requiring mandatory in-person visits. The requested variance is therefore necessary and

²² OAG Comments, Page 16.

²³ Department Comments, Pages 14-16.

²⁴ OAG Comments, Pages 11, 14 and CUB/LSAP/ECC Comments, Pages 6-10.

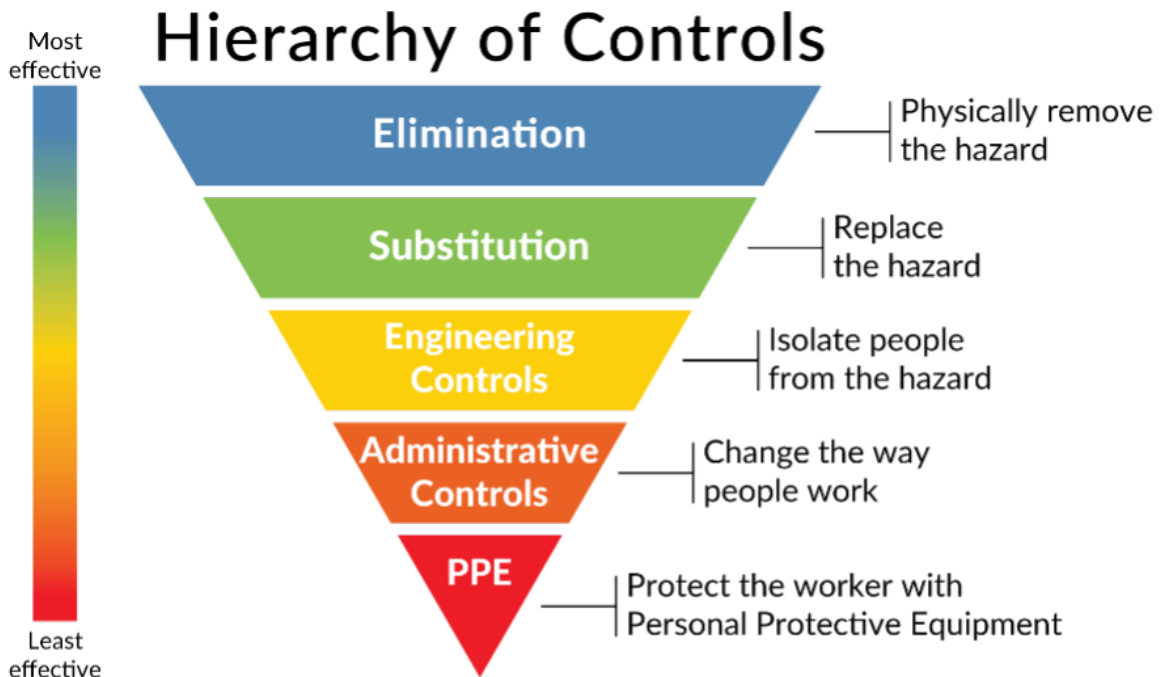
appropriate to replace an outdated, decades-old requirement with a modern process that improves employee safety while maintaining consumer-protections. The proposed variance seeks to address safety situations before they happen.

The dog bite incident that Dakota Electric referenced in our Petition is a clear example of the difference between the current variance and our proposed variance, and why the proposed variance is necessary and prudent to mitigate safety risks to our employees. When the dog bite incident occurred, the premise in question was not considered a safety risk and our employee was injured. If the current variance were in place, this incident would have been avoided. Although this ended up being a minor incident (albeit still an OSHA recordable event), it is real, and conceivable, given the firearm-related incident for a local utility referenced in our Petition,²⁵ that this event could have been more serious.

Dakota Electric acknowledges that utility disconnection and reconnection have important consumer health and safety considerations that need to be considered, but it may be helpful to look at the difference between these variances through the lens of general safety and risk mitigation planning. Dakota Electric uses the Hierarchy of Controls process when analyzing safety and risk for our employees.

²⁵ <https://bringmethenews.com/minnesota-news/police-ramsey-county-man-arrested-after-threatening-utility-worker-with-gun>.

Figure 1: Hierarchy of Controls Illustration



Our current known safety concern variance is akin in many respects to PPE or Administrative Controls. Although it reduces risk in flagged situations, its overall effect is limited because it applies only to a narrow, predefined set of hazards and cannot address safety issues that have not yet been identified; by the time those other risks become known, it may be too late to prevent the unsafe encounter. Dakota Electric’s proposed variance request would be considered part of the Elimination portion of the control hierarchy because it removes the risk in its entirety. The Cooperative does not believe that our current “known-safety” variance adequately addresses the safety concerns associated with continued final site visits. The underlying in-person visit requirement is decades old and reflects a different era—one in which unannounced home visits by utility employees and others were commonplace. In today’s environment, that expectation no longer aligns with member preferences, privacy norms, or considerations of personal safety—for both members and field staff. As a result, doorstep visits have become a less effective way to connect consumers with assistance and payment-plan options and, at the same time, expose employees to

avoidable risks that modern notice paired with AGi-enabled processes can prevent while preserving consumer protections.

Potential Increase in Disconnections

The OAG and CUB/LSAP/ECC both provided discussion and expressed concern that Dakota Electric's variance request could result in significant increases in disconnections because the process would be easier. According to the OAG, Xcel's residential disconnections have increased significantly since it received remote-disconnection authority in May 2023, with rates now roughly double pre-pandemic levels.²⁶ CUB/LSAP/ECC similarly noted that Xcel experienced a 94% increase in disconnections between 2019 and 2025.²⁷ Dakota Electric is also concerned about increases in disconnections, and, as noted earlier in these reply comments and in our Petition, the Cooperative sees disconnection as a last resort. We are committed to keeping disconnections as low as possible. The Cooperatives notes that, although Xcel Energy's disconnection statistics are concerning, they do not appear comparable to Dakota Electric. First, based on our understanding of Xcel Energy's advanced metering rollout, the time period that CUB/LSAP/ECC analyzed compares pre-AMI to full AMI deployment. Looking at it another way, this is comparing an environment where disconnection required a physical intervention at the meter to fully remote off-site disconnection. Dakota Electric has already transitioned from manual, on-site shutoffs to AGi meters that allow disconnection without removing the meter. We have previously acknowledged this in our Cold Weather Rule compliance filings²⁸ The Cooperative's historical trend in disconnection is shown in the table below.

²⁶ OAG Comments, Pages 14-15.

²⁷ CUB/LSAP/ECC Comments Pages 8-9.

²⁸ Dakota Electric Comments, December 6, 2023 in Docket Nos. E,G999/CI-20-375 and E,G999/PR-23-2; and October 8, 2025 in Docket No. E,G999/PR-25-2.

Table 1: Dakota Electric Residential Disconnections²⁹

Year	Disconnections
2016	1,060
2017	986
2018	812
2019	890
2020	80
2021	690
2022	1,860
2023	2,077
2024	2,247
2025	2,406

The information in this table shows that our disconnections increased with the installation of our AGi meters. This increase was driven by our ability to disconnect service from a service vehicle without physically removing the meter. When compared to Xcel Energy’s data, it is likely that a significant amount of the potential for increased disconnections have already been realized on our system. Dakota Electric acknowledges that if the variance is approved this would make the disconnection process more efficient. However, we do not anticipate a further stepwise increase in disconnections. Although disconnections would be initiated from the office, Dakota Electric has a limited number of member services representatives who process service reconnections, in addition to fielding nearly all other member related inquiries. In an effort to facilitate timely reconnections, and maintain overall response times in our call center, Dakota Electric anticipates capping the number of possible disconnections. Moreover, granting the requested variance would allow for reconnections during extreme-heat and high-AQI events, providing members with additional health and safety protections.

Certified Mail

The OAG recommends that the Commission condition approval of the requested variance on a requirement that Dakota Electric provide certified-mail notice before any

²⁹ Table replicated from Dakota Electric’s October 8, 2025 Comments in Docket No. E,G999/PR-25-2 and our December 2025 CWR Report filed on January 5, 2026.

remote shutoff, arguing the burden on the utility is not the standard; certified mail was already required in Dakota Electric’s existing safety-variance and remains necessary to ensure members actually receive definitive, final notice.³⁰ The Department similarly recommends that Dakota Electric send disconnection notices via certified mail prior to remote disconnection if a member is or has been given medical considerations through the Company’s Critical Life-Sustaining Medical Equipment form, has inquired about medical-related protections, or has been on a payment plan in the last five years.³¹

Dakota Electric recognizes that certified mail can, in some contexts, provide an additional layer of notice, and we used it under our narrow, existing “known-safety” variance.³² However, expanding a certified-mail requirement to all residential disconnections is neither necessary to protect members nor well-suited to this broader application.

As noted in our Petition, this process is acceptable in a limited situation such as the current known safety variance, but it is administratively onerous if applied to all disconnections. The OAG asserted that certified mail conveys the gravity of the message and that Dakota Electric has not shown why a universal certified-mail requirement is unnecessary to protect members, adding that the simplest way to avoid any burden would be to comply with the existing Minnesota Rules.³³ To reiterate, the burden of the Minn. R. 7820.2500, and why Dakota Electric is requesting a variance, is that the Rule represents an unnecessary safety risk to our employees and the general public, especially in light of technological advancements. Once this is established, the next consideration is how do we go through the process of disconnection of service for nonpayment in a way that provides meaningful notice to members, effectively enables members to prevent disconnection, and is also operationally feasible and reasonably cost effective. The Cooperative reviewed the costs of certified mail more closely and

³⁰ OAG Comments, Page 14; Department Comments, Page 6.

³¹ Department Comments, Page 7-8.

³² The decision to include Certified Mail in the tariff language was driven by discussions with, and recommendations from, parties in the known safety concern docket. Docket No. E111/M-22-494.

³³ OAG Comments, Page 14.

notes that each notification is approximately \$5.50 more expensive than regular first-class mail just for postage charges. In 2025, Dakota Electric sent out 51,143 disconnection notices. If notice by certified mail is required for these disconnection notices, Dakota Electric would have had additional postage expenses of over \$280,000. There would also be significant staff time associated with processing and mailing these requests, but that is difficult to estimate because we have not made that level of certified mailing. We would also need to establish and administer processes for certified letters that are not signed for and therefore cannot be delivered.

Certified mail has material drawbacks, it can delay time-sensitive communications and may fail to reach the intended recipient because a signature is required (*e.g.*, unclaimed/returned). These practical concerns are amplified by the fact that our existing certified-mail process was designed for a very small subset of pre-classified safety addresses, not for system-wide deployment. A blanket certified-mail requirement is not needed to protect customers; a layered notice protocol that uses first-class mail delivers clear, timely notice to members subject to disconnection.

If the Commission approves our variance request, we believe that notification via first-class mail, as prescribed in Minnesota Rule 7820.2400, and noted in our Petition is reasonable and appropriate given the additional costs, challenges, and limitations associated with certified mail. In addition, when the Cooperative makes its standard notice via first class mail, the envelope is clearly marked as important.³⁴ It does not reference past due or disconnection, because we want to balance urgency and member privacy.

Related to certified mail and notice, the Department recommended that the Commission require Dakota Electric to attempt at least three member contacts prior to remote disconnection, one by first class mail, and two by phone or the member's preferred contact method. The Department further recommended that if contact cannot be made, the Cooperative should be required to make a final attempt to contact

³⁴ DEA Attachment R-1.

the customer at the place of service, and if no contact is made, or if contact is made but no payment agreement is reached, service may be remotely disconnected.³⁵ The Cooperative addresses the Department's second recommendation (*i.e.*, site visit if contact is not made with member) later in these reply comments, but we believe their recommendation of at least three member contacts is appropriate.

Medical Protections

Both the Department and OAG recommended that the Commission require Dakota Electric to implement additional protections for members who are medically dependent on their electric service as a condition to granting the variance. The Department recommended that Dakota Electric:

- Add broad language that recognizes that cognitive impairments may qualify as a medical emergency to its Critical Life-Sustaining Medical Equipment form;
- Provide 30 days for a new or renewing customer to obtain written certification that failure to connect or continue service would impair or threaten the health/safety of a resident of the customer's household; and
- Send the member a disconnection notice via certified mail prior to remote disconnection, if a member is or has been given medical considerations through the Company's Critical Life-Sustaining Medical Equipment form, has inquired about medical-related protections, or has been on a payment plan in the last five years.³⁶

In terms of the Department's first recommendation, Dakota Electric does not object to the addition of cognitive impairment to medical emergencies.

With respect to the Department's second recommendation to lengthen the document collection period from 5 to 30 days, the Cooperative believes clarification is necessary. Currently, if a member contacts Dakota Electric that they may have a medical

³⁵ Department Comments, Page 6.

³⁶ Department Comments, Page 7-8.

condition that qualifies for an exemption, they have 30 days to provide documentation. During this period, the member is protected from disconnection. The five-day period referenced in the Department's comments relates to an instance where a member, who is in the collection process, requests a medical exemption. When this occurs, the Cooperative reconnects the member and then works with the member to facilitate as timely a review as possible, including directly transmitting documents to a medical professional. The Cooperative believes that the five-day period for members in the collections process is reasonable and appropriate.

In terms of the Department's third recommendation, Dakota Electric does not believe this is appropriate because, as written, it would require the Cooperative to essentially send out all disconnection notices via certified mail because of the reference to "a payment plan" in the last five years. As discussed above, certified mail is a significantly higher cost option and would increase utility and member costs.

The OAG argued that the personal visit requirement is important to consumers with medical issues and that Minnesota law surrounding these certifications is onerous, requiring consumers to obtain medical certifications every six months.³⁷ The OAG recommended that the Cooperative conduct in person visits before disconnecting any member who has previously had a medical certification on file or in any instance where the Cooperative has a reason to believe that a medical emergency exists or medical equipment requiring electricity necessary to sustain life is in use.³⁸

Dakota Electric notes that we already provide 12-month exemptions, and we do not disconnect members with a current medical exemption. Dakota Electric offers an alternate variance proposal later in these reply comments. If the Commission approves this alternate variance, the Cooperative would agree to conduct disconnection site visits for those members who had a prior medical exemption within the last five years, except for those members who are deemed a known safety concern.

³⁷ OAG Comments, Page 17.

³⁸ OAG Comments, Pages 16-18.

Temporary Reconnection Duration

In its Petition, the Cooperative stated that it would be able to remotely reconnect members when an event is forecasted to last for 24 hours or longer. Both CUB/LSAP/ECC and the Department discussed this issue in their comments. The Department requested that the Cooperative provide a discussion in reply comments about the feasibility of implementing this proposal for an 8-hour duration event,³⁹ and CUB/LSAP/ECC recommended that the Commission establish a minimum event duration of 8-hours because it would align with Xcel's framework, provide ozone-related protections, and provide Dakota Electric sufficient time to communicate to and reconnect members.⁴⁰

Dakota Electric does not have public health experts on staff, but based on our research and our previous conversation with the Minnesota Department of Health (MDH) and Minnesota Pollution Control Agency (MPCA), we are aware of the benefits associated with reconnection for 8-hour events. However, based on current resources, staffing, and system realities, we anticipate a significant degree of manual input to facilitate this process. Given these realities, and since this is a new process for the Cooperative, we concluded that establishing a 24-hour event threshold was reasonable and achievable. The Cooperative is not opposed to evaluating shorter durations in the future, but we believe it is appropriate to gain experience with this process and reach a better understanding of the resources required, and whether future automation of functions is possible, before pursuing reconnections for shorter duration events.

Cost Savings Associated with Proposed Variance

The OAG contends that because Dakota Electric's current rates already recover the cost of in-person disconnections such that granting the variance would allow the Cooperative to collect those costs without incurring them. The OAG recommends the Commission require tracking of any cost reductions from remote disconnections and

³⁹ Department Comments, Page 8.

⁴⁰ CUB/LSAP/ECC Comments, Page 6.

consider using savings to mitigate disconnection harms (e.g., an emergency arrears-assistance fund).⁴¹

The Cooperative reiterates that our proposal is not designed to be a cost savings measure; rather, it is meant to proactively address an employee safety concern. The OAG incorrectly concludes that there will be costs savings and implies that Dakota Electric is making this proposal to over recover from members. As discussed at length in previous Commission filings,⁴² and shown in our most recent general rate case,⁴³ the reconnection fee we assess members assumes full remote reconnection. Dakota Electric realized the savings associated with no longer physically pulling meters when we petitioned the Commission to unilaterally reduced our reconnection fee from \$55 to \$10 in 2022.⁴⁴ Further, Dakota Electric employees who make final site visits have other responsibilities at the Cooperative, so we do not anticipate staffing reductions or associated cost savings from no longer having in-person final member visits. If our variance request is approved, we will redirect these employees to other activities.

Reconnection Fee for Temporary Reconnections

CUB/LSAP/ECC and the Department raised concerns regarding the imposition of reconnection fees when a member is temporarily reconnected. They concluded this is inappropriate and recommended that the Cooperative waive fees in this situation. Dakota Electric did not envision assessing a reconnection fee in these instances when we made this proposal. Although there are staffing resources and costs for these events, the specific reconnection of service is not associated with reconnection after nonpayment, so we do not believe it is appropriate to assess a charge.

⁴¹ OAG Comments, Page 18.

⁴² Docket No. E111/M-22-227, Dakota Electric Request to Modify Special Fee or Charges Tariff and Docket No. E111/M-22-494, Dakota Electric Petition to Modify Member Service Information Tariff and Request for Rule Variance.

⁴³ DEA Ex. 10, December 30, 3024 Initial Filing, Docket No. E111/GR-24-400.

⁴⁴ September 29, 2022 Order, Docket No. E111/M-22-227.

Other Items

The Department raised two other issues in its comments that the Cooperative wishes to address. First, the Department explained that third-party contacts (*e.g.*, family members) can help avoid unnecessary disconnections if also notified when a disconnection is possible. In light of this, the Department recommended that the Commission require Dakota Electric when issuing a disconnection notice, to include a discussion our Third-Party Notice Form and the ability for the Third-Party to be contacted regarding instances of non-payment.⁴⁵ Dakota Electric does not object to this recommendation.

Second, the Department provided discussion related to consumer protections in Minnesota Statutes 216.096, 216B.098, and 504B.16, and it sought assurances that the Cooperative is complying with these Statutes. As part of this assurance, the Department recommended that the Commission require Dakota Electric to revise its tariff sheets related to remote disconnection to include:

- A brief summary of customer protections from Minnesota Statutes 216B.096, 216B.098, and 504B.16;
- A reference in the revised tariff to where the customer protections can be found elsewhere in DEA's tariff book.⁴⁶

If the Commission approves our variance request, Dakota Electric will ensure that all notices and consumer protections comply with Minnesota Statutes. The Cooperative notes that some of the Statutes referenced by the Department are being reviewed in light of their incorporation into utility tariffs in Docket No. E,G999/CI-25-144. The Cooperative has proposed tariff changes in that docket. Dakota Electric will coordinate any relevant changes from both this docket and the pending Commission investigation.

⁴⁵ Department Comments, Page 8.

⁴⁶ Department Comments, Pages 8-9.

Alternate Variance Proposal

The Cooperative continues to believe that our variance request as originally proposed, with certain modifications as noted above, is reasonable and appropriate. Dakota Electric also understands and acknowledges the concerns and objections raised by other parties. We respectfully believe that Dakota Electric is differently situated than Xcel Energy and many of the issues associated with the roll out of their remote disconnection variance are not present on our system or would be less for our members. That being said, the Cooperative believes that lessons can be learned from other utilities, and we want to try and avoid or minimize any negative impacts to our membership.

In light of the concerns raised by parties, Dakota Electric considered whether modifications to our original proposal were possible and would be adequate to address both our employee safety concerns and the consumer concerns identified by parties. After discussing the matter with employees who conduct final site visits, areas of the organization that would operate and administer remote disconnections and reconnections, and senior management, Dakota Electric concludes that the contact-then-remote disconnect process that was originally approved for Xcel—under which remote disconnection is permitted only after the utility makes contact (final phone call or voicemail) and a final site visit occurs if contact cannot be made—provides sufficient relief at this time. Although the Cooperative remains concerned about conducting any final site visits, this approach would reduce the overall number of visits that our employees need to make. Viewed through the Hierarchy of Controls, it moves our operations much closer to the Elimination part of the process, lowering overall risk. Dakota Electric continues to believe final site visits present unnecessary safety exposure and should be re-examined as part of a broader review of consumer protections and utility practice; however, if the choice is between site visits in all cases or site visits in fewer cases, the lower-risk option is acceptable. In our original proposal, the language in our tariff regarding known safety concerns was eliminated because all disconnections would be performed remotely. However, if the Commission approves this alternative proposal, the Cooperative concludes it is appropriate to maintain the known safety risk

exemption because there may still be instances where we will not be able to make contact with a premise that is a known safety concern. We do not believe it is reasonable to make a final site visit before disconnection to a premise that is a known safety concern.

Dakota Electric also offers another potential modification after reviewing CUB/LSAP/ECC's comments. CUB/LSAP/ECC noted the following related to Xcel Energy's remote disconnection variance:

Many of the impacted customer were likely "unused to...the final step of actual disconnection" and would have benefit from an in-person visit and the chance to speak with a representative of the utility about remedying the underlying cause of service termination, entering into a payment arrangement, or accessing potential assistance resources.⁴⁷

The Cooperative appreciates CUB's inclusion of this observation related to Xcel Energy's program implementation. The timeline requested by the Cooperative in its Petition was meant to address the safety risk associated with final site visits and a desire to have this in place prior to the end of the Cold Weather Rule. The concerns raised by parties make a May 1, 2026 implementation unlikely. In addition, based on CUB/LSAP/ECC's observation above, the Cooperative concludes that, if our variance is approved, a delay in implementation to May 1, 2027 may be appropriate. Dakota Electric acknowledges that the safety risks remain, but if the Commission were to approve the variance prior to the next Cold Weather Rule, this would allow us to notify members that the disconnection process will be changing.

Revised Tariffs

The Department recommended that the Commission require Dakota Electric to file revised tariff sheets within 30 days of Order issuance. Given the edits proposed by parties, and the discussion in these reply comments, Dakota Electric agrees with this recommendation and will provide final tariff sheets 30 days after Order issuance.

⁴⁷ CUB/LSAP/ECC Comments, Page 10.

Conclusion

If you or your staff have any questions about these comments, please contact me at 651-463-6258 or aheinen@dakotaelectric.com.

Sincerely,

/s/ Adam J. Heinen

Adam J. Heinen
Vice President of Regulatory Services
Dakota Electric Association
4300 220th Street West
Farmington, MN 55024

Certificate of Service

I, Nicole McEathron, hereby certify that I have this day served copies of the attached document to those on the following service list by e-filing, personal service, or by causing to be placed in the U.S. mail at Farmington, Minnesota.

Docket No. E111/M-25-442

Dated this 20th day of February 2026

/s/ Nicole McEathron

Nicole McEathron

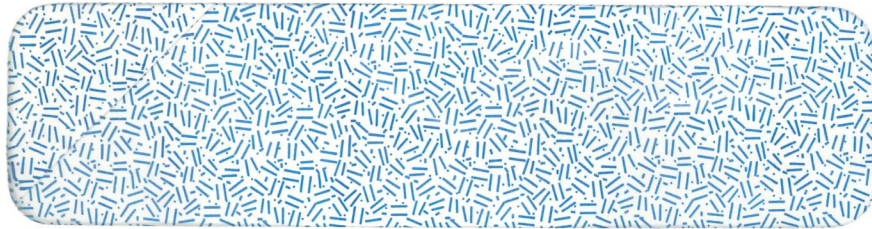


Your Touchstone Energy™ Partner 

4300 220th Street West
Formington, MN 55024-9583
Return service requested

114

IMPORTANT!



#	First Name	Last Name	Email	Organization	Agency	Address	Delivery Method	Alternate Delivery Method	View Trade Secret	Service List Name
1	Sasha	Bergman	sasha.bergman@state.mn.us		Public Utilities Commission	121 7th PI E Ste 350 St. Paul MN, 55101 United States	Electronic Service		Yes	M-25-442
2	Matthew	Brodin	mbrodin@allete.com	Minnesota Power		30 West Superior Street Duluth MN, 55802 United States	Electronic Service		No	M-25-442
3	Mike	Bull	mike.bull@state.mn.us		Public Utilities Commission	121 7th Place East, Suite 350 St. Paul MN, 55101 United States	Electronic Service		Yes	M-25-442
4	Generic	Commerce Attorneys	commerce.attorneys@ag.state.mn.us		Office of the Attorney General - Department of Commerce	445 Minnesota Street Suite 1400 St. Paul MN, 55101 United States	Electronic Service		Yes	M-25-442
5	Eric	Fehlhaber	efehlhaber@dakotaelectric.com	Dakota Electric Association		4300 220th St W Farmington MN, 55024 United States	Electronic Service		No	M-25-442
6	Sharon	Ferguson	sharon.ferguson@state.mn.us		Department of Commerce	85 7th Place E Ste 280 Saint Paul MN, 55101-2198 United States	Electronic Service		No	M-25-442
7	Adam	Heinen	aheinen@dakotaelectric.com	Dakota Electric Association		4300 220th St W Farmington MN, 55024 United States	Electronic Service		No	M-25-442
8	Corey	Hintz	chintz@dakotaelectric.com	Dakota Electric Association		4300 220th Street Farmington MN, 55024-9583 United States	Electronic Service		No	M-25-442
9	Generic Notice	Residential Utilities Division	residential.utilities@ag.state.mn.us		Office of the Attorney General - Residential Utilities Division	1400 BRM Tower 445 Minnesota St St. Paul MN, 55101-2131 United States	Electronic Service		Yes	M-25-442
10	Kristin	Stastny	kstastny@taftlaw.com	Taft Stettinius & Hollister LLP		2200 IDS Center 80 South 8th Street Minneapolis MN, 55402 United States	Electronic Service		No	M-25-442