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April 24, 2017

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

**Re: Dakota Electric Association Supplemental Information in Petition to
Implement an Optional Communication Fee for Schedules 46 and 54
Docket No. E-111/M-17-207**

Dear Mr. Wolf:

On March 15, 2017, Dakota Electric Association (Dakota Electric or Cooperative) submitted a Petition in the above-referenced docket requesting Minnesota Public Utilities Commission (Commission or MPUC) approval to implement an Optional Communication Fee for Schedules 46 and 54. The proposed Optional Communication Fee is associated with communication for special metering that is necessary for the member to participate in available optional riders.

On April 5, 2017, the Minnesota Department of Commerce (Department or DOC) submitted comments recommending Commission approval, with modification, of the Optional Communication Fee for Schedules 46 and 54.

On April 14, 2017, Dakota Electric submitted Reply Comments concurring with the Department recommendation, with modification, in this docket.

Dakota Electric was recently contacted by Commission staff seeking clarification on matters related to the derivation and application of the proposed Communication Fee (originally approved in Docket No. E-111/M-11-393) that is being applied in the instant docket.

Dakota Electric Supplemental Information

Dakota Electric offers the following Supplemental Information related to the proposed Communication Fee requested in this docket.

Dakota Electric originally received Commission approval to implement a Communication Fee for Schedules 70 and 71 in Docket No. E-111/M-11-393. In the April 29, 2011 filing in that docket, Dakota Electric indicated that the Communication Fee was for:

“new communication costs to these meters with digital cellular modems in the form of wireless network data charges. The package cost to Dakota Electric for this wireless network data service is currently about \$8.69 per meter per month.”

Dakota Electric further indicated that:

“The \$8.70 per month Communication Fee reflects the current package cost to the Cooperative for the wireless network data service. The proposed Communication Fee will increase Dakota Electric’s annual revenue by \$8.70 per meter per month, which is nearly identical to the annual increase in communication costs for the wireless network data service for these meters with digital cellular modems of about \$8.69.”

To clarify, the Communication fee is a pass-through of wireless network data charges that Dakota Electric receives from the phone company. The reference to “package cost” is a reflection of pricing from the phone company. The phone company provides the wireless network data service per digital cellular modem at a specified price for three years (36 months).

The referenced \$8.69 cost associated with wireless network data charges was calculated as follows:

$$\begin{array}{r} \$ 292.00 \text{ Phone Company Package Cost} \\ + \quad 7.125\% \text{ Sales Tax} \\ \hline = \$ 312.81 \text{ Total Cost} \\ \div \quad 36 \text{ Months} \\ \hline = \$ 8.69 \text{ Cost per Month} \end{array}$$

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

Sincerely,

/s/ Douglas R. Larson

Douglas R. Larson
Vice President of Regulatory Services
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Certificate of Service

I, Cherry Jordan, 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. E-111/M-17-207

Dated this 24th day of April, 2017

/s/ Cherry Jordan

Cherry Jordan

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