



February 22, 2021

Will Seuffert, 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 a Filing by Dakota Electric Association
Regarding the Monthly Fixed Charge per Meter for the
Advanced Grid Infrastructure (AGi) Rider***

Docket No. E-111 /M-21-45

Dear Mr. Seuffert:

On January 13, 2021, Dakota Electric Association® (Dakota Electric® or Cooperative) filed a petition with the Minnesota Public Utilities Commission (Commission or MPUC) regarding the 2021 Monthly Fixed Charges per Meter for the Advanced Grid Infrastructure (AGi) Rider. The AGi Rider, approved by the Commission on May 8, 2018 in Docket No. E-111/M-17-821, allows the Cooperative to recover certain net distribution grid modernization and load management investments that occur between Cooperative general rate cases. This January 13 filing establishes the 2021 AGi Rider Monthly Fixed Charges per Meter for various rate classes.

On February 12, 2021, the Minnesota Department of Commerce (Department or DOC) filed comments detailing their review and recommendations of Dakota Electric's filing. The Department identified an inadvertent error in the Cooperative's filing described on Pages 2 and 3 as follows:

In its most recent rate case in Docket No. E111/GR-19-478, the Cooperative agreed to adjust its future AGI Rider calculations to credit members for expected decreases in depreciation expense and return on rate base associated with Accounts 37020 – *Meters Used* and 37000 – *Meters*. As Dakota Electric replaces old meters with new AMI meters through its AGI initiative, the Cooperative’s actual depreciation expense and return on rate base related to old meters will be less than the corresponding amounts collected through approved base rates. Rather than adjusting its base rates, the Cooperative agreed to pass these cost reductions back to ratepayers through the AGI Rider. Credits related to Account 37020 – *Meters Used* are applicable to the AGI Rider 2020 true up and in each subsequent year, until Dakota Electric files its next rate case. Credits related to Account 37000 – *Meters* are applicable to the 2021 true up and in each subsequent year, until Dakota Electric files its next rate case.

Dakota Electric inadvertently omitted the credits required by the agreement reached in Docket No. E111/GR-19-478 from the Cooperative’s AGI Rider calculations in the instant Petition. In response to an informal Department information request, Dakota Electric provided updated AGI Rider calculations that, pursuant to the Docket No. E111/GR-19-478 agreement, included \$18,474 in credits associated with the decreases in depreciation expense and return on rate base for Account 37020 – *Meters Used*. Dakota Electric agreed that the credits should have been reflected in its proposed 2021 AGI Rider charges. However, rather than modify the proposed charges now to account for this credit, the Cooperative expressed its preference that these credits be incorporated into the calculations of its next AGI Rider filing in 2022. The Company explained that because the new AGI Rider charges have already taken effect, changing them now, and potentially “unwinding” amounts already billed to customers, would be administratively burdensome, and the dollar amount is too small to have a meaningful impact on rates.

The Department recommendation for Commission action is explained on Page 3 as follows:

The Department agrees that the impact of adjusting the proposed rates to include the credits would be too small to justify the administrative burden associated with updating the rates. The Department recommends that the Commission allow Dakota Electric to defer incorporating the credits required by Docket No. E111/GR-19-478 until the Cooperative’s next AGI Rider filing in 2022. However, if the Commission instead requires the Cooperative to adjust its AGI Rider calculations in the current Petition for these credits, then the Department recommends that the Commission approve the adjusted 2021 AGI Rider charges shown in column (m) of Schedule G-2a in Department Attachment 1.

Dakota Electric Reply Comments

Dakota Electric submits these Reply Comments in response to the Department's February 12 review and recommendations.

Dakota Electric acknowledges and apologizes for the inadvertent omission of the credit for meter depreciation identified in the Department's review. We concur with the Department recommendation to approve the AGi Rider monthly fixed charges per meter as submitted by Dakota Electric. As we noted in response to an informal Department information request, the new AGI Rider charges have already taken effect, changing them now, and potentially "unwinding" amounts already billed to customers, would be administratively burdensome, and the dollar amount is too small (one cent per month for residential consumers) to have a meaningful impact on rates. This adjustment can be included with all other potential true-ups during 2021 and reflected in charges for 2022.

Conclusion

Dakota Electric appreciates the Department's review and comments in this filing. We request that the Commission approve the AGi Rider monthly fixed charges per meter as submitted by Dakota Electric.

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

Sincerely,

/s/ Douglas R. Larson

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

Certificate of Service

I, Melissa Cherney, 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 Nos. *E-111/M-21-45*

Dated this 22nd day of February 2021

/s/ Melissa Cherney

Melissa Cherney

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Ryan	Barlow	ryan.barlow@state.mn.us	Public Utilities Commission	121 7th Place East Suite 350 St. Paul, MN 55101214	Electronic Service	No	GEN_SL_Dakota Electric Association_General Service List
Eric	Fehlhaber	efehlhaber@dakotaelectric.com	Dakota Electric Association	4300 220th St W Farmington, MN 55024	Electronic Service	No	GEN_SL_Dakota Electric Association_General Service List
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 280 Saint Paul, MN 551012198	Electronic Service	No	GEN_SL_Dakota Electric Association_General Service List
Corey	Hintz	chintz@dakotaelectric.com	Dakota Electric Association	4300 220th Street Farmington, MN 550249583	Electronic Service	No	GEN_SL_Dakota Electric Association_General Service List
Douglas	Larson	dlarson@dakotaelectric.com	Dakota Electric Association	4300 220th St W Farmington, MN 55024	Electronic Service	Yes	GEN_SL_Dakota Electric Association_General Service List
Pam	Marshall	pam@energycents.org	Energy CENTS Coalition	823 7th St E St. Paul, MN 55106	Electronic Service	No	GEN_SL_Dakota Electric Association_General Service List
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Generic Notice	Residential Utilities Division	residential.utilities@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012131	Electronic Service	No	GEN_SL_Dakota Electric Association_General Service List
Eric	Swanson	eswanson@winthrop.com	Winthrop & Weinstine	225 S 6th St Ste 3500 Capella Tower Minneapolis, MN 554024629	Electronic Service	No	GEN_SL_Dakota Electric Association_General Service List