

Minnesota Public Utilities Commission

Staff Briefing Papers

Meeting Date: May 18, 2017
Agenda Item: #3*

Company: Dakota Electric Association

Docket No. E-111/M-17-207

In the Matter of Petition to Implement an Optional Communication Fee for Schedules 46 and 54

Issue(s): Should the Commission approve Dakota Electric Association's request for an Optional Communications Fee?

Staff: Michelle Rosier.....651-201-2212

I. Relevant Documents

Dakota Electric Association, Petition March 15, 2017
Department of Commerce, Comments April 5, 2017
Dakota Electric Association, Reply April 14, 2017
Dakota Electric Association, Supplemental Information..... April 24, 2017

The attached materials are work papers of the Commission Staff. They are intended for use by the Public Utilities Commission and are based upon information already in the record, unless noted otherwise.

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II. Statement of the Issues

Should the Commission approve Dakota Electric Association's request for an Optional Communication Fee (\$8.70) for Schedules 46 (General Service) and 54 (Time of Day) that is required for customers who qualify and choose to participate in either the Member Specific Discount or Large Load High Load Factor riders?

III. Background

On March 15, 2017, Dakota Electric Association (Dakota Electric) submitted a petition requesting approval to implement an Optional Communication Fee for Schedules 46 (General Service) and 54 (Time of Day) for customers who elect to participate in either the Member Specific Discount or Large Load High Load Factor riders.

On April 5, 2017, the Minnesota Department of Commerce (Department) submitted comments recommending approval with modification of Dakota Electric's proposed Optional Communication Fee for Schedules 46 and 54.

On April 14, 2017, Dakota Electric filed reply comments concurring with the Department recommendation for Commission approval with modification.

On April 24, 2017, Dakota Electric filed supplemental information providing more detail on the derivation and application of the proposed fee.

IV. Parties' Comments

Dakota Electric recently implemented two Commission-approved riders, Member Specific Discount (MSD) and Large Load High Load Factor (LLHL)¹, which require recording, storing and transmitting the retail member's demand data for those who qualify and elect to participate in one of the riders. Specifically, the riders require measuring the retail member's coincident billing peak demand and/or non-coincident load factor and sharing that data with Great River Energy. Thus, Dakota Electric proposes an Optional Communication fee be added to Schedules 46 and 54:

“A monthly Communication Fee of \$8.70 will be applied to accounts that participate in riders that require the collection and storage of energy and

¹ In its January 24, 2017 Order, the Commission approved with modifications Dakota Electric Association's Member Specific Discount Rider (Docket No. 16-774). In its January 25, 2017 Order, the Commission approved as amended Dakota Electric Association's Large Load High Load Factor Rider. (Docket No. 16-923)

demand consumption data that is transmitted to the Association by means of digital cellular modem communication.²”

The communication requirement for the riders is similar to that of Dakota Electric’s Commercial and Industrial Interruptible Service. In its August 8, 2011 Order, the Commission approved the \$8.70 per meter per month charge for Rate Schedules 70 & 71 related to Commercial and Industrial Interruptible Service for digital cellular modem communication capabilities.³ Dakota Electric explains the amount of the fee is commensurate with a 3-year price package from the phone company divided by 36 months.⁴

The Department recommends approval of the proposed Optional Communication Fee for Schedules 46 and 54, and recommends adding language to the MSD and LLHLF Riders that:

“A monthly Communication Fee of 8.70 per meter will be charged for digital cellular modem communication.⁵”

Dakota Electric concurs and filed revised tariff pages for the MSD and LLHF riders with this language included in their Reply comments.⁶

Staff Comments

If Dakota Electric Association rolls out advanced metering infrastructure (AMI), the digital cellular modem meters may no longer be necessary for this subset of customers. At that time, it may be appropriate to reconsider this fee.

V. Commission Options

1. Approve Dakota Electric Association’s petition for an Optional Communication Fee for Schedules 46 and 54; including the revised tariff sheets for the MSD and LLHF Riders. (DEA, DOC)
2. Approve, with additional modifications.
3. Deny the petition.

² Dakota Electric, Petition, p. 4

³ Docket No. E-111/M-11-393

⁴ Dakota Electric, Supplemental Information, p.2-3

⁵ Department, Reply, p. 2

⁶ Dakota Electric, Reply, p. 2 and 1st revisions of Section V: Sheets 58.0 and 58.2