



January 23, 2020

Ryan Barlow, Acting Executive Secretary  
Minnesota Public Utilities Commission  
121 7<sup>th</sup> Place East, Suite 350  
Saint Paul, MN 55101-2147

***Subject: Dakota Electric Association Comments  
Regarding Dakota Electric Association's 2019 Annual Report Containing  
Cost Information and Data in Docket No. E-999/AA-19-402***

Dear Mr. Barlow:

On August 28, 2019, Dakota Electric Association® (Dakota Electric® or Cooperative), made a filing to the Minnesota Public Utilities Commission (MPUC or Commission) in the above-referenced docket in accordance with Minnesota Rules 7825.2800-7825.2840. These rules require that all public utilities make a filing by September 1 of each year to reflect changes in their annual automatic adjustment of charges (AAA) or fuel clause adjustment (FCA) riders.

On January 14, 2020, the Minnesota Department of Commerce (DOC or Department) submitted a letter to the Commission noting that, given the January 1, 2020 implementation date of the new FCA reform process established in Docket No. E-999/CI-03-802, Dakota Electric is now the only electric utility to make a filing by September 1, 2019 in Docket No. E-999/AA-19-402. The Department further notes that:

- Dakota is an electric distribution-only cooperative exempt from many of the compliance filings required under the old FCA process.
- Dakota has few choices regarding its fuel and purchased power and associated costs.

- Dakota is already required to make a filing in January of each year detailing its purchased energy costs – the Resource and Tax Adjustment (RTA) filing.
- Dakota’s RTA filings and resulting RTA factors are reviewed by the Department each year and approved by the Commission.
- The Department generally conducted a limited review of Dakota’s AAA filings in past proceedings, other than including Dakota’s information in the larger report that focused primarily on Minnesota’s vertically integrated, investor-owned utilities.

Based on these observations, the Department recommends:

“The Department concludes that there is little to be gained from having Dakota continue to submit annual FCA costs in September AAA filings and in the annual RTA filings. Given that the RTA filings are where Dakota’s fuel clause rates are set for the year, the Department recommends that the Commission require Dakota to provide its AAA filing information in its annual RTA filings.”

Dakota Electric concurs with these Department observations and recommendation.

For future (beginning in January 2021) RTA filings, Dakota Electric would add the following information from Minnesota Rules 7825.2800-7825.2840:

**7825.2800 ANNUAL REPORTS; POLICIES AND ACTIONS.**

- Review the procurement policies for selecting sources of fuel and energy purchased, and a summary of actions taken to minimize cost.

**7825.2820 ANNUAL AUDITOR’S REPORT.**

- An independent auditor’s report evaluating accounting for automatic adjustments for an appropriate 12-month period.

**7825.2830 ANNUAL FIVE-YEAR PROJECTION.**

- A five-year projection of fuel costs by energy source by month for the first two years and on an annual basis thereafter.

**7825.2840 ANNUAL NOTICE OF REPORTS AVAILABILITY.**

- Provide notice of the availability of this information to all intervenors in the previous two general rate cases.

The information required by Minnesota Rule **7825.2810 ANNUAL REPORT; AUTOMATIC ADJUSTMENT CHARGES** is already covered by Dakota Electric’s RTA filing.

**Conclusion**

Dakota Electric appreciates the Department’s recommendation to incorporate elements of Minnesota Rules 7825.2800-7825.2840 into our annual RTA filing and agrees that this approach will provide a more streamlined and efficient process for

reviewing Dakota's annual purchased energy costs. This will provide an efficient review of relevant information in one report. We urge the Commission to adopt this Department recommendation.

If you have any questions about these comments, please contact me at [dlarson@dakotaelectric.com](mailto:dlarson@dakotaelectric.com) or by phone at 651-463-6258.

Sincerely,  
*/s/ Douglas R. Larson*

---

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

**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-999/AA-19-402***

Dated this 23rd day of January 2020

*/s/ Cherry Jordan*

---

Cherry Jordan

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Christopher	Anderson	canderson@allete.com	Minnesota Power	30 W Superior St  Duluth, MN 558022191	Electronic Service	No	OFF_SL_19-402_19-402
Peter	Beithon	pbeithon@otpc.com	Otter Tail Power Company	P.O. Box 496 215 South Cascade Street Fergus Falls, MN 565380496	Electronic Service	No	OFF_SL_19-402_19-402
David	Dahlberg	davedahlberg@nweco.com	Northwestern Wisconsin Electric Company	P.O. Box 9 104 South Pine Street Grantsburg, WI 548400009	Electronic Service	No	OFF_SL_19-402_19-402
Bruce	Gerhardson	bgerhardson@otpc.com	Otter Tail Power Company	PO Box 496 215 S Cascade St Fergus Falls, MN 565380496	Electronic Service	No	OFF_SL_19-402_19-402
Todd J.	Guerrero	todd.guerrero@kutakrock.com	Kutak Rock LLP	Suite 1750 220 South Sixth Street Minneapolis, MN 554021425	Electronic Service	No	OFF_SL_19-402_19-402
Corey	Hintz	chintz@dakotaelectric.com	Dakota Electric Association	4300 220th Street  Farmington, MN 550249583	Electronic Service	No	OFF_SL_19-402_19-402
Sarah	Johnson Phillips	sarah.phillips@stoel.com	Stoel Rives LLP	33 South Sixth Street Suite 4200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_19-402_19-402
Douglas	Larson	dlarson@dakotaelectric.com	Dakota Electric Association	4300 220th St W  Farmington, MN 55024	Electronic Service	No	OFF_SL_19-402_19-402
Amy	Liberkowski	amy.a.liberkowski@xcelenergy.com	Xcel Energy	414 Nicollet Mall 7th Floor Minneapolis, MN 554011993	Electronic Service	No	OFF_SL_19-402_19-402
Susan	Ludwig	sludwig@mnpower.com	Minnesota Power	30 West Superior Street  Duluth, MN 55802	Electronic Service	No	OFF_SL_19-402_19-402

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Andrew	Moratzka	andrew.moratzka@stoel.com	Stoel Rives LLP	33 South Sixth St Ste 4200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_19-402_19-402
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	Yes	OFF_SL_19-402_19-402
Lynnette	Sweet	Regulatory.records@xcelenergy.com	Xcel Energy	414 Nicollet Mall FL 7 Minneapolis, MN 554011993	Electronic Service	No	OFF_SL_19-402_19-402
Stuart	Tommerdahl	stommerdahl@otpc.com	Otter Tail Power Company	215 S Cascade St PO Box 496 Fergus Falls, MN 56537	Electronic Service	No	OFF_SL_19-402_19-402
Robyn	Woeste	robynwoeste@alliantenergy.com	Interstate Power and Light Company	200 First St SE Cedar Rapids, IA 52401	Electronic Service	No	OFF_SL_19-402_19-402