




Your Touchstone Energy® Partner 

December 22, 2016

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

**Re: Dakota Electric Association Reply Comments in  
Docket No. E-111/M-16-774**

Dear Mr. Wolf:

On September 20, 2016, 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 a Member Specific Discount (MSD) Rider. The proposed MSD Rider will facilitate a pass-through of targeted wholesale capacity rate discounts to specific members receiving retail service from the Cooperative.

On December 21, 2016, the Minnesota Department of Commerce (Department or DOC) submitted comments recommending Commission approval of the MSD Rider, with two modifications as follows:

- require Dakota Electric to delete item 1 of the proposed Member Specific Discount Rider's Terms and Conditions of Service, which states "The Member Specific Discount will only be offered as a complement to incentives for new load as provided by local and state government."
- require Dakota Electric to modify item 11 of the proposed Member Specific Discount Rider's Terms and Conditions of Service as follows:

The Association will track the wholesale power cost credits associated with each Member Specific Discount and ~~include the credits in the “Power Cost Correction Recovery Mechanism” as applicable~~ exclude them from both the calculation of the base cost of power in future rate cases and the calculation of the Power Cost Adjustment Charges in the Resource and Tax Adjustment filings to the Minnesota Public Utilities Commission. This will ensure that the credits Dakota Electric receives from its wholesale power supplier are not double-counted.

#### Dakota Electric Reply Comments

Dakota Electric concurs with the Department recommendation to approve the MSD Rider with the two modifications.

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

Sincerely,

*/s/ Douglas R. Larson*

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Douglas R. Larson  
Vice President of Regulatory Services  
Dakota Electric Association  
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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-16-774**

Dated this 22nd day of December, 2016

*/s/ Cherry Jordan*

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Cherry Jordan

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
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