

May 26, 2022

Will Seuffert  
Executive Secretary  
Minnesota Public Utilities Commission  
121 7<sup>th</sup> Place East, Suite 350  
St. Paul, Minnesota 55101-2147

RE: **Comments of the Minnesota Department of Commerce, Division of Energy Resources**  
Docket No. E111/M-22-227

Dear Mr. Seuffert:

Attached are the comments of the Minnesota Department of Commerce, Division of Energy Resources (Department) in the following matter:

Dakota Electric Association's Petition to Modify its Special Fee or Charges Tariff

The Petition was filed on May 12, 2022 by:

Adam J. Heinen, Vice President of Regulatory Services  
Dakota Electric Association  
4300 220th Street West  
Farmington, MN 55024  
651-463-6258  
[aheinen@dakotaelectric.com](mailto:aheinen@dakotaelectric.com)

The Department recommends the Minnesota Public Utilities Commission (Commission) **approve** the petition. The Department is available to answer any questions the Commission may have.

Sincerely,

/s/ HOLLY SODERBECK  
Financial Analyst

HS/ja  
Attachment



## Before the Minnesota Public Utilities Commission

### Comments of the Minnesota Department of Commerce Division of Energy Resources

Docket No. E111/M-22-227

#### I. INTRODUCTION

Dakota Electric Association (Dakota Electric or Cooperative) requests the Minnesota Public Utilities Commission (Commission) approve a reduction in the Cooperative's transfer/connection charge and reconnection charge. Dakota Electric's costs for these charges are significantly lower due to the Cooperative's Advanced Grid Infrastructure (AGi) Project.

#### II. SUMMARY OF PROPOSAL

Dakota Electric's most recent general rate case (Docket No. E111/GR-19-478) established a transfer/connection charge of \$17.50 and a reconnection charge during normal working hours of \$55.00 and outside of working hours of \$145.<sup>1</sup> Dakota Electric estimated the transfer/connection charges and reconnections charges based on the actual cost for those services, including labor, mileage, overhead, etc.

The costs for transfer/connection charges and reconnection charges are lower due to the AGi Project. The Cooperative's AGi Project allows the Cooperative to remotely complete these services. As a result of lower costs, Dakota Electric's Petition requests the Commission approve lower tariff charges. Table 1 compares the current and proposed charges.

**Table 1: Current and Proposed Charges<sup>2</sup>**

|  | Current Charge | Proposed Charge       |
|--|----------------|-----------------------|
| Reconnection Charge  | \$ 55.00       | \$ 10.00              |
| Reconnection Charge<br><i>outside normal working hours</i> | \$ 145.00      | \$ 10.00 <sup>3</sup> |
| Transfer/Connection Charge                                 | \$ 17.50       | \$ 8.50               |

Consumer Payment Representatives can reconnect meters during normal working hours, at a lower hourly rate, and in a shorter amount of time using the advanced grid infrastructure. The previous infrastructure required Credit Field Representatives or Meter Technicians for after-hours, both with

<sup>1</sup> Dakota Electric, [Final Compliance Filing dated August 3, 2020](#), p. 128 in Docket No. E111/GR-19-478.

<sup>2</sup> [Petition](#), pp. 8-9.

<sup>3</sup> As a result, Dakota Electric no longer requires an "outside normal working hours" charge, as in the current rates.

higher hourly rates and longer times required to complete the task. The advanced grid infrastructure also reduces costs for transfer/connection charges with reduced time and reduced mileage for completing the task.

Dakota Electric proposed an effective date upon Commission approval, but no sooner than August 8, 2022.<sup>4</sup> Dakota Electric's Petition states, "Since these lower fees represent a benefit to our members, Dakota Electric began assessing the lower fees to our members beginning on May 2, 2022, concurrent with the end of the Cold Weather Rule for the 2021-2022 heating season."<sup>5</sup> Dakota Electric filed a letter notifying the Commission of the Cooperative's intention to assess interim reconnection fees and transfer/connection fees at a lower rate than included in the tariff.<sup>6</sup>

### III. DEPARTMENT ANALYSIS

#### A. PROPOSED RATES

Dakota Electric's Advanced Grid Infrastructure (AGI) Project allows Dakota Electric to remotely reconnect service and transfer service. Completing these services remotely reduces the cost and time.

The current charges included in the tariff for reconnect charges during normal working hours included an hourly rate of \$40.43 for Credit Field Representatives, overhead costs, and mileage costs. The total cost for reconnect charges during normal business hours in the tariff is \$55.00.<sup>7</sup> Outside of normal working hours, Dakota Electric assigns Meter Technicians and the hourly rate and time required increase. The total cost outside of normal business hours for reconnect charges in the tariff is \$145.00.<sup>8</sup>

Dakota Electric is able to remotely complete reconnections using the advanced grid infrastructure, resulting in lower hourly rates and overhead and eliminating mileage. Dakota Electric assigns Consumer Payment Representatives to reconnection tasks at lower hourly rates compared to Credit Field Representatives and Meter Technicians. Consumer Payment Representatives have working hours of 7 a.m. and 7 p.m., reducing the requirement for higher charges outside of normal business hours. Dakota Electric estimates total cost for reconnect charge tasks is \$10.79, which Dakota Electric proposes to round to \$10.00.

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<sup>4</sup> Petition, p. 4.

<sup>5</sup> Petition, p. 5.

<sup>6</sup> [Dakota Electric letter dated April 26, 2022](#) in Docket No. E111/GR-19-478.

<sup>7</sup> Dakota Electric, [Final Compliance Filing dated August 3, 2020](#), p. 128 in Docket No. E111/GR-19-478.

<sup>8</sup> Dakota Electric, [Final Compliance Filing dated August 3, 2020](#), p. 128 in Docket No. E111/GR-19-478.

The current charges included in the tariff for transfer/connection fee is \$17.50.<sup>9</sup> Dakota Electric calculated the fee based on hourly rates for required employees, mileage for vehicles, data processing costs, mailing costs, etc. Utilizing the advanced grid infrastructure, Dakota Electric completes transfers/connections remotely and for a reduced cost. Dakota Electric's estimated costs for current fees included, among other costs, one hour of wages for Chief Meter Reader, Transfer Representative, and Meter Reader. Dakota Electric estimates a reduction in wages from one hour to 0.15 hours. Dakota Electric's estimated fee for transfer/connections is \$8.59, which Dakota Electric proposes to round to \$8.50.

The Department recommends the Commission approve Dakota Electric's lower tariff charges/fees for reconnection and transfer services.

**B. MINNESOTA STATUTES AND RULES**

The Department finds Dakota Electric complied with Minnesota Rules and Statutes in its instant Petition.

The Commission established Dakota Electric's rates through the Cooperative's 2019 General Rate Case, Docket No. E111/19-478. Dakota Electric decided it would reconnect members remotely, for members with capable self-contained meters. Dakota Electric began charging these lower fees and charges to members, on an interim basis, on May 2, 2022.

[Minnesota Statutes § 216B.16](#), subdivision 1 requires utilities to provide 60 days' notice to the Commission before changing established rates. [Minnesota Rules 7825.3200](#) requires utilities to notify the Commission at least 90 days prior to the proposed effective date of modified rates.

Dakota Electric filed a letter on April 26, 2022 under Docket No. E111/19-478 notifying the Commission and the instant Petition on May 12, 2022. In its Petition, Dakota Electric proposes the modification to the Special Fees and Charges tariff take effect upon Commission approval, but no sooner than August 8, 2022.<sup>10</sup>

**IV. DEPARTMENT RECOMMENDATIONS**

The Department recommends the Commission approve Dakota Electric's Petition, reducing reconnection charge and transfer/connection charge, with an effective date upon Commission approval, but no sooner than August 8, 2022.

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<sup>9</sup> Dakota Electric, [Final Compliance Filing dated August 3, 2020](#), p. 128 in Docket No. E111/GR-19-478.

<sup>10</sup> Petition, p. 4.

## **CERTIFICATE OF SERVICE**

I, Marcella Emeott, hereby certify that I have this day served copies of the following document on the attached list of persons by electronic filing, e-mail, or by depositing a true and correct copy thereof properly enveloped with postage paid in the United States Mail at St. Paul, Minnesota.

**MINNESOTA DEPARTMENT OF COMMERCE**

**COMMENTS**

Docket No. E111/M-22-227

Dated this **26th** day of **May 2022**.

/s/Marcella Emeott

| First Name     | Last Name                      | Email                                | Company Name                        | Address  | Delivery Method    | View Trade Secret | Service List Name      |
|----------------|--------------------------------|--------------------------------------|-------------------------------------|--|--------------------|-------------------|------------------------|
| Generic Notice | Commerce Attorneys             | commerce.attorneys@ag.state.mn.us    | Office of the Attorney General-DOC  | 445 Minnesota Street Suite 1400<br><br>St. Paul, MN 55101    | Electronic Service | Yes               | OFF_SL_22-227_M-22-227 |
| Eric           | Fehlhaber                      | efehlhaber@dakotaelectric.com        | Dakota Electric Association         | 4300 220th St W<br><br>Farmington, MN 55024                  | Electronic Service | No                | OFF_SL_22-227_M-22-227 |
| Sharon         | Ferguson                       | sharon.ferguson@state.mn.us          | Department of Commerce              | 85 7th Place E Ste 280<br><br>Saint Paul, MN 551012198       | Electronic Service | No                | OFF_SL_22-227_M-22-227 |
| Adam           | Heinen                         | aheinen@dakotaelectric.com           | Dakota Electric Association         | 4300 220th St W<br><br>Farmington, MN 55024                  | Electronic Service | No                | OFF_SL_22-227_M-22-227 |
| Corey          | Hintz                          | chintz@dakotaelectric.com            | Dakota Electric Association         | 4300 220th Street<br><br>Farmington, MN 550249583            | Electronic Service | No                | OFF_SL_22-227_M-22-227 |
| Annie          | Levenson Falk                  | annielf@cubminnesota.org             | Citizens Utility Board of Minnesota | 332 Minnesota Street, Suite W1360<br><br>St. Paul, MN 55101  | Electronic Service | No                | OFF_SL_22-227_M-22-227 |
| Pam            | Marshall                       | pam@energycents.org                  | Energy CENTS Coalition              | 823 7th St E<br><br>St. Paul, MN 55106                       | Electronic Service | No                | OFF_SL_22-227_M-22-227 |
| David          | Moeller                        | dmoeller@allete.com                  | Minnesota Power                     | 30 W Superior St<br><br>Duluth, MN 558022093                 | Electronic Service | No                | OFF_SL_22-227_M-22-227 |
| Generic Notice | Residential Utilities Division | residential.utilities@ag.state.mn.us | Office of the Attorney General-RUD  | 1400 BRM Tower<br>445 Minnesota St<br>St. Paul, MN 551012131 | Electronic Service | Yes               | OFF_SL_22-227_M-22-227 |
| Will           | Seuffert                       | Will.Seuffert@state.mn.us            | Public Utilities Commission         | 121 7th Pl E Ste 350<br><br>Saint Paul, MN 55101             | Electronic Service | Yes               | OFF_SL_22-227_M-22-227 |

| First Name | Last Name | Email                 | Company Name         | Address   | Delivery Method    | View Trade Secret | Service List Name      |
|------------|-----------|-----------------------|----------------------|---|--------------------|-------------------|------------------------|
| Eric       | Swanson   | eswanson@winthrop.com | Winthrop & Weinstine | 225 S 6th St Ste 3500<br>Capella Tower<br>Minneapolis,<br>MN<br>554024629 | Electronic Service | No                | OFF_SL_22-227_M-22-227 |