CAH Docket No. 65-2500-40635
MPUC Docket No. E-111/GR-24-400

STATE OF MINNESOTA
COURT OF ADMINISTRATIVE HEARINGS

FOR THE PUBLIC UTILITIES COMMISSION

In The Matter of the Application of Dakota Electric Association for Authority to Increase Rates for Electric Service in Minnesota	**STIPULATED FINDINGS OF FACT, CONCLUSIONS OF LAW, AND RECOMMENDATION TO APPROVE SETTLEMENT**

This matter is pending before Administrative Law Judge Ann C. O'Reilly of the pursuant to a Notice of and Order for Hearing issued by the Minnesota Public Utilities Commission (the PUC or Commission) on February 18, 2025.

Kristin M. Stastny, Taft Stettinius & Hollister, LLP and Adam Heinen, Vice President of Regulatory Services for Dakota Electric Association appeared on behalf of the Applicant, Dakota Electric Association (Dakota Electric, the Cooperative, or Applicant).

Katherine Arnold and Amrit Hundal, Assistant Attorneys General, appeared on behalf of the Minnesota Department of Commerce, Division of Energy Resources (the Department or DOC).

Katherine Hinderlie and Wendy Raymond, Assistant Attorneys General, appeared on behalf of the Office of the Attorney General – Residential Utilities Division (the OAG).

Jorge Alonso and Godwin Ubani appeared on behalf of the Public Utilities Commission staff.

The parties in this proceeding are Dakota Electric, the Department, and the OAG (collectively, the Parties).

Procedural Summary

In the Notice and Order for Hearing, the Commission, among other things: (1) identified the issues for hearing; (2) directed the Administrative Law Judge to conduct a contested case hearing; and (3) requested that the Judge issue a final report by November 3, 2025.

Public hearings were held in Apple Valley and Rosemount, Minnesota, on May 7, 2025. One virtual public hearing was held on May 6, 2025, using WebEx technology. Members of the public were able to join the virtual public hearing via an internet or

telephone connection. Written comments from members of the public were received through July 1, 2025.[1]

The evidentiary hearing was scheduled for June 26, 2025. On May 21, 2025, the Parties met for settlement discussions. On June 6, 2025, the Parties filed a Settlement Agreement, along with supporting Attachments, resolving all issues presented in the proceeding (hereinafter the Settlement), which is attached hereto as **Appendix A**.[2]

On June 10, 2025, Administrative Law Judge O'Reilly issued a Second Prehearing Order vacating the remaining deadlines for testimony, cancelling the evidentiary hearing, and directing the Parties to provide stipulated proposed findings of fact, conclusions of law, and a recommendation detailing the issues in the case and the proposed settlement of those issues.[3]

When all parties to a utility rate case reach a settlement, the Administrative Law Judge must present the settlement to the Commission for its consideration.[4] Accordingly, the Administrative Law Judge cancelled the evidentiary hearing and excused the Parties from any further filings and returns this proceeding to the Commission together with her recommendation to approve the Settlement.

STATEMENT OF THE ISSUES[5]

1. Whether the test year revenue increase sought by Dakota Electric is reasonable or will result in unreasonable or excessive earnings.

2. Whether the rate design proposed by Dakota Electric is reasonable.

3. Whether Dakota Electric's proposed capital structure and return on equity (ROE) are reasonable.

4. Whether the proposed capital structure or an alternate capital structure should be adopted.

5. The reasons for the significant cost changes of the following costs since Dakota Electric's last rate case (2019):

- Distribution-Maintenance expense increase of 23.6%;
- Administrative & General expense increase of 36.3%;
- Depreciation & Amortization expense increase of 31.8%;

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[1] *See* FIRST PREHEARING ORDER (Feb. 27, 2025) (eDocket No. 20252-215848-01); Approval of Public Hearing Customer Notice (Mar. 14, 2025) (eDocket No. 20253-216388-01).
[2] Settlement Agreement (June 6, 2025) (eDocket No. 20256-219692-01).
[3] SECOND PREHEARING ORDER (June 10, 2025) (eDocket No. 20256-219805-01).
[4] Minn. Stat. § 216B.16, subd. 1a(b).
[5] NOTICE OF AND ORDER FOR HEARING at 2-3 (February 18, 2025) (eDocket No. 20253-216095-01).

- Other Interest Expense increase of 85.9%; and
- Other Deductions increase of 113.8%.

Based upon the evidence in the hearing record, the Administrative Law Judge makes the following:

STIPULATED FINDINGS OF FACT

I. The Parties

1. Dakota Electric Association was founded in 1937 as a non-profit, member-owned distribution electric utility. It serves approximately 115,000 members in an area covering much of Dakota County, just south of Minneapolis and St. Paul. Dakota Electric also provides electric service in portions of Scott, Rice, and Goodhue counties.[6]

2. Dakota Electric is a distribution utility. It does not generate electricity or own any high voltage transmission lines. Instead, it purchases wholesale power and related transmission services from Great River Energy (GRE), located in Maple Grove, Minnesota.[7]

3. Dakota Electric has a 12-person elected board of directors made up of members governs the Cooperative. It is also regulated by the Commission and is the only rate-regulated electric cooperative in Minnesota.[8]

4. The Department is a state agency charged by the legislature with enforcing Minnesota Statutes chapters 216A, 216B, and 237, and represents the interests of all ratepayers in related proceedings.[9]

5. The OAG is authorized by the legislature to intervene in Commission proceedings to further "the interests of residential and small business utility consumers" in matters touching upon a public utility's rates or adequacy of service to residential or small business utility consumers.[10]

II. Procedural Background

6. Dakota Electric initiated this proceeding on December 30, 2024, requesting authority to increase rates for electric service. Dakota Electric requested a $23.8 million or 11% annual increase based on a rate of return on rate base of 5.30%.[11]

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[6] Ex. DEA-3 at 1 (Heinen Direct) (Dec. 30, 2024) (eDocket No. 202412-213383-03).
[7] *Id.*
[8] *Id.*
[9] Minn. Stat. § 216A.07, subds. 2-4; Minn. R. 7829.0800, subp. 3.
[10] Minn. Stat. § 8.33, subd. 2.
[11] NOTICE OF AND ORDER FOR HEARING at 1 (Feb. 18, 2025) (eDocket No. 20253-216095-01).

Dakota Electric's initial filing (the Application) included testimony, supporting schedules, and workpapers.[12]

7. The Commission issued a Notice of Comment Period on Completeness and Procedures on December 31, 2024.[13] The Department and the OAG filed comments on January 9, 2025.[14] The Cooperative filed Reply Comments on January 14, 2025.[15]

8. The Commission issued a Notice of and Order for Hearing on February 18, 2025, referring the case to the CAH for contested case proceedings.[16]

9. On February 18, 2025, the Commission issued two additional orders: one that accepted the Cooperative's rate case filing as substantially complete, suspended the Cooperative's proposed rates, and extended the timeline under which the Commission would make a decision,[17] and a second that established interim rates.[18]

10. A prehearing status and scheduling conference was held on February 24, 2025.[19] The Administrative Law Judge issued a Stipulated Protective Order on February 25, 2025,[20] and a First Prehearing Order on February 27, 2025. The First Prehearing Order set forth the timeline and process for the proceeding.[21]

11. On April 30, 2025, the Department and OAG each filed Direct Testimony.[22] The OAG filed errata to Direct Testimony on May 19, 2025.[23]

12. Public hearings were held in Apple Valley and Rosemount, Minnesota, on May 7, 2025. One virtual public hearing was held on May 6, 2025, using WebEx technology. Members of the public were able to join the virtual public hearing via an internet or telephone connection.[24]

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[12] *See* Exs. DEA-1 – DEA-8 (Initial Filing Volumes 1 and 2) (Dec. 30, 2024 and Feb. 11, 2025) eDocket Nos. 202412-213383-01 – 202412-213383-03 and 20252-215274-01 – 20252-215274-05).
[13] NOTICE OF COMMENT PERIOD ON COMPLETENESS AND PROCEDURES (Dec. 31, 2024) (eDocket No. 202412-213424-01).
[14] Department Comments (Jan. 9, 2025) (eDocket No. 20251-213757-01); OAG Comments (Jan. 9, 2025) (eDocket No. 20251-213756-01).
[15] Reply Comments of Dakota Electric Association (Jan. 14, 2025) (eDocket No. 20251-213906-01).
[16] NOTICE OF AND ORDER FOR HEARING (February 18, 2025) (eDocket No. 20253-216095-01).
[17] ORDER ACCEPTING FILING, SUSPENDING RATES, AND EXTENDING TIMELINE (Feb. 18, 2025) (eDocket No. 20252-215467-01).
[18] ORDER SETTING INTERIM RATES (Feb. 18, 2025) (eDocket No. 20252-215468-01).
[19] ORDER FOR PREHEARING CONFERENCE (Feb. 18, 2025) (eDocket No. 20252-215481-01).
[20] STIPULATED PROTECTIVE ORDER (Feb. 25, 2025) (eDocket No. 20252-215769-01).
[21] FIRST PREHEARING ORDER (Feb. 27, 2025) (eDocket No. 20252-215848-01).
[22] Exs. DOC-1 – DOC-9, Department Direct Testimony (Apr. 30, 2025) (eDocket Nos. 20254-218341-05, 20254-218341-06, 20254-218341-07, 20254-218341-08, 20254-218341-09, 20254-218341-10, 20254-218341-12, 20254-218341-04, 20254-218341-03, 20254-218341-11, 20254-218341-02); Exs. OAG-1 – OAG-3, OAG Direct Testimony (Apr. 30, 2025) (eDocket Nos. 20254-218396-02, 20254-218396-03, 20254-218396-04, 20254-218396-05, 20254-218396-06, 20254-218396-07).
[23] Ex. OAG-4, (Stevenson Errata) (May 19, 2025) (eDocket No. 20255-219088-02).
[24] *See* FIRST PREHEARING ORDER (Feb. 27, 2025) (eDocket No. 20252-215848-01); Approval of Public Hearing Customer Notice (Mar. 14, 2025) (eDocket No. 20253-216388-01).

13. On May 21, 2025, the Parties met to discuss potential settlement of this matter. Based on those settlement discussions, the Parties reached a comprehensive, unopposed settlement in principle.

14. The Parties continued discussions, exchanged information, and memorialized the terms of their agreement in the Settlement Agreement filed on June 6, 2025.[25]

15. On June 10, 2025, the Judge issued a Second Prehearing Order, vacating the remaining deadlines for Rebuttal and Surrebuttal Testimony and cancelling the Evidentiary Hearing. The Second Prehearing Order directed the Parties to file a Master Exhibit List on or before June 23, 2025, and to file stipulated proposed findings of fact, conclusions of law, and a recommendation detailing the issues in the case and the proposed settlement of those issues on or before August 13, 2025.[26]

16. On June 20, 2025, the Parties filed the Joint Stipulated Exhibit List, reflecting the testimony, schedules, workpapers, and other supporting materials that were stipulated to by all parties for inclusion in the record in this proceeding.[27]

17. On August 13, 2025, the Parties filed joint Proposed Findings of Fact, Conclusions of Law, and Recommendation to Approve the Settlement.

III. Overview of the Cooperative's Application to Increase Rates

18. In its Initial Filing, Dakota Electric requested an overall revenue increase of $23,811,597, or 11%, based on a 2023 test year, adjusted for known and measurable changes and using an overall rate of return of 5.30%.[28]

19. The Cooperative determined its proposed revenue increase by calculating its overall revenue requirement for the adjusted test year (equal to operating expense plus margin requirement) and comparing that to its revenues under current rates for the adjusted test year.[29]

20. To determine the appropriate level of margin, Dakota Electric used a calculation methodology for rate of return endorsed by the Commission in 1976 and used by Dakota Electric in its prior rate cases, including its most recent rate case, Docket No. E111/GR-19-478.[30] Given the unique nature of a cooperative, such as Dakota Electric, the rate of return is related to the retirement, or rotation, of patronage capital, rather than determining the rate of return required by an investor, as is done for

[25] Settlement Agreement (June 6, 2025) (eDocket No. 20256-219692-01).
[26] Second Prehearing ORDER (June 10, 2025) (eDocket No. 20256-219805-01).
[27] Joint Stipulated Master Exhibit List (June 20, 2025) (eDocket No. 20256-220052-01).
[28] Ex. DEA-3 at 8-9, 18 (Heinen Direct) (Dec. 30, 2024) (eDocket No. 202412-213383-03); Exs. DEA-4 and DEA-5 (Exhibit 2, Determination of Revenue Requirements).
[29] *See* Ex. DEA-3 at 8-9 (Heinen Direct) (Dec. 30, 2024) (eDocket No. 202412-213383-03); Exs. DEA-4 and DEA-5 (Exhibit 1, Statement of Operations – Present Rates and Exhibit 2, Determination of Revenue Requirements) (Feb. 11, 2025) (eDocket Nos. 20252-215274-02 and 20252-215274-04).
[30] Ex. DEA-3 at 19-24 (Heinen Direct) (Dec. 30, 2024) (eDocket No. 202412-213383-03).

investor-owned utilities.[31] For a cooperative, that means calculating a rate of return that provides sufficient margins to: (1) pay interest expense on long-term debt; (2) rotate patronage capital as stated in the policy of the cooperative; and (3) maintain or achieve the desired equity position, while meeting the financial covenants of the cooperative's lenders.[32]

21. In Direct Testimony, Dakota Electric proposed a rate of return on rate base of 5.30% based on the Commission-approved methodology for calculating return on rate base for a cooperative.[33]

22. The Cooperative also provided a Class Cost of Service Study (CCOSS) aimed at identifying the cost responsibility of each rate class, using a fully allocated average embedded approach. Dakota Electric developed the CCOSS based on a minimum system study to classify specified distribution accounts, incorporating a demand adjustment.[34]

23. Dakota Electric provided several additional cost analyses, which were used to inform its rate design recommendations, including[35]:

- Load Management Cost Analysis,[36]
- Monthly Fixed Charge Analysis,[37]
- Coincidental Demand Charges,[38]
- Special Fees and Charges,[39]
- Line Extension Analysis,[40]
- Base Calculations for Resource and Tax Adjustment,[41]
- Air Conditioning Analysis,[42]
- Standby Rate Analysis,[43]
- Electric Vehicle Rate Analysis,[44] and
- Residential Time-of-Use Analysis (Schedule 56).[45]

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[31] *Id.* at 19.
[32] *Id.*
[33] *Id.* at 20-22.
[34] *Id.* at 26-27; Exs. DEA-4 and DEA-5 (Exhibit 3, Cost of Service Analysis) (Feb. 11, 2025) (eDocket Nos. 20252-215274-02 and 20252-215274-02); Exs. DEA-6 and DEA-7 (Workpaper 21, Minimum Size Method with Demand Adjustment) (Feb. 11, 2025) (eDocket Nos. 20252-215274-03 and 20252-215274-05).
[35] Ex. DEA-3 at 41-48 (Heinen Direct) (Dec. 30, 2024) (eDocket No. 202412-213383-03).
[36] Exs. DEA-4 and DEA-5 (Exhibit 4, Load Management Cost Analysis) (Feb. 11, 2025) (eDocket Nos. 20252-215274-02 and 20252-215274-02).
[37] *Id.* at Exhibit 7, Monthly Fixed Charge Analysis.
[38] *Id.* at Exhibit 8, Coincidental Demand Charges.
[39] *Id.* at Exhibit 10, Special Fees and Charges.
[40] *Id.* at Exhibit 11, Line Extension Analysis.
[41] *Id.* at Exhibit 12, Base Calculations for Resource and Tax Adjustment.
[42] *Id.* at Exhibit 13, Air Conditioning Analysis.
[43] *Id.* at Exhibit 14, Standby Rate Analysis.
[44] *Id.* at Exhibit 15, Electric Vehicle Rate Analysis.
[45] *Id.* at Exhibit 16, Residential TOU Analysis – Schedule 56.

24. Based on the CCOSS and other cost analyses, and after consideration of the inherent limitations of a CCOSS, as well as consideration of non-cost factors, Dakota Electric recommended the following revenue apportionment by service schedule:[46]

Rate Class	Revenue Present Rates ($)	Revenue Proposed Rates ($)	Increase/ (Decrease) Amount ($)	Increase/ (Decrease) Percent (%)
Residential & Farm Service (31)	126,681,309	143,214,865	16,533,556	13.05
Residential & Farm Demand Control (32)	45,111	52,057	6,946	15.40
Electric Vehicle (33)	315,139	337,392	22,253	7.06
Irrigation Service (36) Firm	47,127	49,917	2,790	5.92
Irrigation Service (36) Interruptible	930,863	985,474	54,611	5.87
Small General Service (41)	6,167,331	7,002,386	835,055	13.54
Security Lighting Service (44)	85,004	98,058	13,054	15.36
Street Lighting Service (44-2)	444,233	513,956	69,723	15.70
Street Lighting System (44-1)	71,540	83,018	11,478	16.04
Custom Residential Street Lighting (44-3)	1,531,694	1,770,887	239,193	15.62
LED Security Lighting Service (44-4)	49,465	56,881	7,416	14.99
LED Street Lighting Member-Owned (44-5)	1,453	1,684	231	15.90
LED Street Lighting (44-6)	258,816	298,186	39,370	15.21
Low Wattage Unmetered Service (45)	8,442	14,070	5,628	66.67
General Service (46)	53,817,780	57,588,174	3,770,394	7.01
Municipal Civil Defense Sirens (47)	3,960	7,920	3,960	100.00
Geothermal Heat Pump (49)	21,226	24,691	3,465	16.32
Controlled Energy Storage (51)	747,172	857,551	110,379	14.77
Controlled Interruptible Service (52)	2,752,860	3,097,543	344,683	12.52
Residential & Farm Time of Day (53)	46,584	50,561	3,977	8.54
General Service Time of Day (54)	151,922	164,380	12,458	8.20
Standby Service (60)	74,160	79,680	5,520	7.44
Full Interruptible Service (70)	21,395,714	22,921,191	1,525,477	7.13
Partial Interruptible Service (71)	2,210,153	2,360,551	150,398	6.80
Cycled Air Conditioning Service (80)	(1,533,193)	(1,533,193)	-	-

[46] Ex. DEA-3 at 51 (Heinen Direct) (Dec. 30, 2024) (eDocket No. 202412-213383-03).

25. To recover these revenues, Dakota Electric proposed specific monthly customer charges, energy charges, and other charges for each service schedule, as applicable to that schedule, including monthly customer charges as follows:[47]

Customer Class	Current Fixed Monthly Customer Charge	Proposed Fixed Monthly Customer Charge
Residential & Farm Service (31)	$10.00	$13.45
Residential & Farm Demand Control (32)	$13.00	$15.50
Residential & Farm Time of Day (53, 56)	$13.00	$16.50
Small General Service (41)	$15.00	$17.50
Irrigation (36)	$33.00	$34.00
General Service (46)	$37.00	$48.00
General Service Time of Day (54)	$39.00	$48.00
Interruptible (70 & 71)	$130.00	$145.00
Low Wattage Unmetered Service (45)	$10.50	$17.50
Municipal Civil Defense Sirens (47)	$5.00	$10.00

IV. Summary of Public Comments

A. Comments Made at Public Hearings

26. The Administrative Law Judge convened three public hearings—two in person hearings at the Rosemount Community Center and at the Apple Valley Senior & Event Center, and one virtual public hearing.[48]

27. Thirteen members of the public provided oral comments, including questions, at the public hearings: two people spoke at the virtual hearing; eight people spoke at the Apple Valley hearing; and three people spoke at the Rosemount hearing. In general, commenters raised concerns regarding the communication of the public hearing process,[49] interim rate increases,[50] and overall notification of the Cooperative's rate request.[51] They also raised concerns regarding the proposed rate increase,[52] residential

[47] *Id.* at 51-81 and Exs. DEA-4 and DEA-5 (Exhibit 6, Comparison of Present and Proposed Rates) (Feb. 11, 2025) (eDocket Nos. 20252-215274-02 and 20252-215274-02).
[48] *See* FIRST PREHEARING ORDER (Feb. 27, 2025) (eDocket No. 20252-215848-01); Approval of Public Hearing Customer Notice (Mar. 14, 2025) (eDocket No. 20253-216388-01).
[49] Apple Valley Pub. Hrg. Tr. earing Transcript (May 7, 2025) at 54, 56-57, 60, 70, 80-81 (May 7, 2025), Rosemount Pub. Hrg. Tr. at 36, 37, 43, 44 (May 7, 2025).
[50] Apple Valley Pub. Hrg. Tr. at 43 (May 7, 2025), Virtual Pub. Hrg. Tr. at 37 (May 6, 2025), Rosemount Pub. Hrg. Tr. at 37 (May 7, 2025).
[51] Apple Valley Pub. Hrg. Tr. at 46, 70, 71 (May 7, 2025), Rosemount Pub. Hrg. Tr. at 39, 44 (May 7, 2025).
[52] Virtual Pub. Hrg. Tr. (May 6, 2025), Apple Valley Pub. Hrg. Tr. (May 7, 2025), Rosemount Pub. Hrg. Tr. (May 7, 2025).

customers' ability to absorb the Cooperative's proposal,[53] and questioned the factors driving the rate increase and the ratemaking process.[54]

28. The following comments were received at the May 6, 2025 virtual public hearing held via Webex:[55]

- Bill Watkins, a Dakota Electric customer since 2003, inquired about how the proposed rate increase will be applied, especially for electric vehicles.[56] He also inquired about the increase in on- and off-peak electricity rates and whether the interim rate increase would be applied as a flat kilowatt fee or proportionally, expressing concern that a flat interim rate charge would disproportionately impact users who rely on off-peak electricity.[57]

- Mary Nell Zellner asked questions about the increase in on- and off-peak electricity rates.[58] She commented that not everyone was able to move their schedules or adjust schedules to complete tasks during off-peak hours and felt there was a question about fairness.[59] She asked about the process for determining "a fair number" for an increase in electricity rates. Ms. Zellner urged the Commission to focus on the affordability of any rate increase on the ability of poor ratepayers to maintain a warm home during the winter.[60]

29. The following comments were made at the May 7, 2025 hearing held in Apple Valley:[61]

- Larry Moehring asked about the overall increase in Dakota Electric's operating costs since 2019 and about the Cooperative's return on investment. He commented on Dakota Electric's "incredible" service level.[62]

- Bill Laramy, Inver Grove Heights, asked questions about residential service increases versus general service increases and discussed why he believed general service consumers may have more flexibility

[53] Apple Valley Pub. Hrg. Tr. at 34 (May 7, 2025); Apple Valley Pub. Hrg. Tr. at 39, 58, 66 (May 7, 2025); Rosemount Pub. Hrg. Tr. at 50 (May 7, 2025).
[54] Virtual Pub. Hrg. Tr. at 36-37, 42-44 (May 6, 2025); Apple Valley Pub. Hrg. Tr. at 31, 46, 50, 54-55, 61, 67, 76, 77 (May 7, 2025); Rosemount Pub. Hrg. Tr. at 32, 34-35, 46-48, 54-55 (May 7, 2025).
[55] Virtual Pub. Hrg. Tr. (May 6, 2025).
[56] Virtual Pub. Hrg. Tr. at 33-34 (May 6, 2025).
[57] Virtual Pub. Hrg. Tr. at 36-37, 39 (May 6, 2025).
[58] Virtual Pub. Hrg. Tr. at 52-55 (May 6, 2025).
[59] Virtual Publ. Hrg. Tr. at 44 (May 6, 2025).
[60] Virtual Publ. Hrg. Tr. at 41-54 (May 6, 2025).
[61] Apple Valley Pub. Hrg. Tr. (May 7, 2025).
[62] Apple Valley Pub. Hrg. Tr. at 32-33 (May 7, 2025).

to absorb a larger rate increase compared to residential consumers on fixed incomes.[63]

- Hillary Swanson, Apple Valley, asked about interim rates now in effect and how they would operate as a presumptive set of future rates that could go still higher. She likewise asked for additional details about the disputes over the company's claimed amounts for long-term capital investments and organizational dues. She also asked about long-term investments, specific increases for labor and vehicle costs, and about how the Cooperative's membership dues were factored into rates.[64]

- Jan Miller, Apple Valley, discussed and asked questions regarding the Office of the Attorney General's proposal. She requested that the presentation slides be sent to members and asked about the number of senior citizens served by the Cooperative. She also requested for clarification around rate adjustments and the role of the public in a rate case. Ms. Miller urged the Cooperative to analyze the impact of parallel rises in telephone and natural gas rates on Dakota Electric's customers and to share more of the company's cost analyses in its newsletter, *Circuits*.[65]

- Brian Rogers asked about capital expenses, special projects, and how Dakota Electric's rates compared to other utilities. He acknowledged that company expenses were increasing but noted that the increase was large. He inquired whether more regular, gradual rate increases could be pursued to avoid a sudden increase. Mr. Rogers was complimentary of both the public hearing process and Dakota Electric's service – which he characterized as "outstanding" with "very few electrical issues." While not disputing the company's claims to higher service costs since 2019, he questioned whether an 11% rise in a single year is best for ratepayers, as opposed to phased-in increases.[66]

- Jodi Rogers recommended that the Cooperative be clearer about communicating the residential rate increase, rather than describing the averaged rate increase across all customer classes, which does not represent the full impact on residents. She questioned how taxes and downstream political organizations impact the requested rate increase. She also asked about notices and requested they continue to be provided to members on paper. Ms. Rogers urged the company to more clearly make the distinction between the rate increases

[63] Apple Valley Pub. Hrg. Tr. at 34-36 (May 7, 2025).
[64] Apple Valley Pub. Hrg. Tr. at 42-51 (May 7, 2025).
[65] Apple Valley Pub. Hrg. Tr. at 52-61 (May 7, 2025).
[66] Apple Valley Pub. Hrg. Tr. at 61-67 (May 7, 2025).

proposed for residential customers as opposed to the rate proposals for commercial ratepayers. She also inquired as to the proposed amounts for resource and tax adjustments and organizational dues.[67]

- Bobbie Halling, while complimentary of the Cooperative's responsiveness in repairing storm-damaged poles and transformers, inquired about plans for future undergrounding of utility infrastructure as a protection against future outages.[68]

- Elizabeth Nermoe, from Apple Valley, shared her experiences trying to keep her electric bill lower through conservation and her concerns about the rate increase. She also asked questions about the rate case process before discussing the notice of the hearing. More specifically, she expressed concern over the impact of the rate increases on poorer ratepayers. She encouraged the Commission to explore a rate structure that substituted a one-time charge sum to cover the company's higher costs, over recovering the revenue deficiency through higher monthly rates.[69]

30. Four commenters spoke at the Rosemount Public Hearing held on May 7, 2025:[70]

- Linda Johnson expressed skepticism on the likely savings and returns for ratepayers from investments in solar power and wind power alternatives. She stated that solar farms had been represented to save money for members but that she doubted that had occurred and did not believe members were receiving savings from solar. She also communicated her hope that Great River Energy would not invest in wind and questioned how the renewable energy sources impacted the wholesale price of electricity for the Cooperative.[71] Later in the hearing, she noted that prices will never go back down.[72]

- Andrew Wegener, Eagan, expressed his disappointment as to how the Resource and Tax Adjustment (RTA) charge is, and is not, reflected in the notices on proposed rate changes. He was critical of what he regarded as a lack of transparency on the true rates that would follow the ratemaking proceeding. Specifically, he noted that the 2025 increase in the RTA became effective early in 2025, but

[67] Apple Valley Pub. Hrg. Tr. at 61-78 (May 7, 2025).
[68] Apple Valley Pub. Hrg. Tr. at 78-80 (May 7, 2025).
[69] Apple Valley Pub. Hrg. Tr. at 39-41, 58, 81 (May 7, 2025).
[70] Rosemount Pub. Hrg. Tr. (May 7, 2025).
[71] Rosemount Pub. Hrg. Tr. at 29-31 (May 7, 2025).
[72] Rosemount Pub. Hrg. Tr. at 56 (May 7, 2025).

after the notices on the proposed rate changes were approved by the Commission, thus concealing the true increases that are (potentially) faced by the association's ratepayers.[73]

- Whitney Farra shared her concerns around data centers and the infrastructure increases that would be needed to serve them and how the cost of these increased energy needs would be distributed. She stated that it is important to account for where the demand for energy is coming from and asked what studies were done to make sure community members are being accounted for as decisions are made. She urged the Commission to look closely at the tariff regarding the acceptance of service from very large customers (like data centers) and the additional infrastructure expenses of the Cooperative that ratepayers might bear in order to provide electricity to large, industrial scale customers[74]

- Kim Bauer asked when a decision about the rate increase would be made.[75]

B. Written Public Comments Submitted to the Docket

31. Twenty-six individuals filed at least one comment in the docket. These public comments shared experiences, voiced concerns, asked questions, and requested the Commission focus on specific issues. Almost all comments opposed a rate increase or recommended a lower increase. Commenters shared concerns about Dakota Electric's Board of Director's expenses including the disclosure of those expenses.[76] Written comments called the rate increase "excessive,"[77] and shared concerns about how customers were benefiting from the additional revenue from the proposed increase.[78] A few commenters acknowledged the Cooperative facing rising costs and that rate increases are "occasionally necessary."[79]

32. Customers' written comments also stated concerns around the Cooperative's transparency regarding the proposed rate increase.[80] Multiple commenters shared their concern about the burden placed on low-income customers and customers

[73] Rosemount Pub. Hrg. Tr. at 33-45, 78-80 (May 7, 2025).
[74] Rosemount Pub. Hrg. Tr. at 45-55 (May 7, 2025).
[75] Rosemount Pub. Hrg. Tr. at 53-54 (May 7, 2025).
[76] Comment of Gerald Brown (eDocket No. 20252-215452-01); Comment of Shannon Connor (eDocket No. 20254-218338-01).
[77] Comment of Robert Hansberry (eDocket No. 20253-216707-01).
[78] Comment of Madeline Baird (eDocket No. 20254-217367-01); Comment of Erik Peterman (eDocket No. 20254-217684-01); Comment of David Sutliff (eDocket No. 20254-218279-01).
[79] Comment of Dan Reitemeier (eDocket No. 20254-217769-01); Comment of Debra Benson (eDocket No. 20254-217684-01).
[80] Comment of Jon Derik Dautel (eDocket No. 20257-220861-01); Comment of Jon Derik Dautel (eDocket No. 20251-214674-01; Comment of Jon Derik Dautel (eDocket No. 20252-215152-01); Comment of Gerald Brown (eDocket No. 20252-215452-01); Comment of Robert Trier (eDocket No. 20253-216451-01); Comment of James Grams (eDocket No. 20256-219910-01).

living on fixed incomes, including social security.[81] One commenter shared that he felt the Cooperative was asking middle-class users to accept a rate hike that exceeds both their annual wage increases and the general rise in living expenses.[82] Commenters also voiced concern about customers' lack of flexibility around energy use during peak periods.[83] Some commenters questioned the Cooperative's justification for the increase.[84] Others suggested ways to improve communications to members to improve transparency.[85] Further comments raised concerns about the mathematics, formulas, and the accuracy of what was shared with customers.[86] One commenter felt that investments in energy efficiency measures did not result in customer energy savings on bills.[87]

33. Written comments received are specifically summarized below:

- *Jon Derik Dautel,* Lakeville, expressed disappointment that following the submission of the rate increase, the Cooperative announced plans for construction of a new $90 million headquarters building. He projects that the construction expense will add an additional 5% increase to the next rate increase request. He maintains that the Cooperative's disclosures "show little effort to reduce expenses." He favors a policy that would insist upon more gradual rises in electricity rates.[88]

- *Andy Wegener,* supplemented his May 1, 2025, testimony at the Rosemount Public Hearing, with additional detail as to the likely impact of increases in the RTA on future electricity rates. In his view, the failure of the company to include this detail in the notices remitted in this proceeding, does not meet "the membership notification requirements set by the [Commission]."[89]

- *James Grams,* Eagan, expressed concern over the proposed rate on families facing economic hardship and few alternative options for

[81] Comment of Jon Derik Dautel (eDocket No. 20251-214674-01); Comment of Jon Derik Dautel (eDocket No. 20257-220861-01); Comment of Kelly Sax (eDocket No. 20254-217578-01); Comment of Kelly Sax (eDocket No. 20254-217684-01); Comment of Dan Reitemeier (eDocket No. 20254-217684-01); Comment of Beverly Hueffmeier (eDocket No. 20254-218010-01).
[82] Comment of Jonathan Morrison (eDocket No. 20254-217921-01).
[83] Comment of Mary Nell Zellner (eDocket No. 20254-217579-01).
[84] Comment of Erik Peterman (eDocket No. 20254-217684-01); Comment of David Sutliff (eDocket No. 20254-218279-01); Comment of Shannon Connor (eDocket No. 20254-218338-01); Comment of Kelly Sax (eDocket No. 20254-217684-01).
[85] Comment of Dan Reitemeier (eDocket No. 20254-217769-01); Comment of David Sutliff (eDocket No. 20254-218279-01); Comment of Danielle Hirsch (eDocket No. 20255-218914-01); Comment of Danielle Hirsch (eDocket No. 20255-218914-01); Comment of James Grams (eDocket No. 20256-219910-01).
[86] Comment of Marten Kuebler (eDocket No. 20256-219967-01); Comment of Marten Kuebler (eDocket No. 20256-219987-01); Comment of Andrew Wegener (eDocket No. 20257-220591-01).
[87] Comment of David Sutliff (eDocket No. 20254-218279-01).
[88] Written Comments of Jon Derik Dautel (February 6 and July 10, 2025) (eDocket Nos. 20257-220861-01; 20251-214674-01).
[89] Written Comments of Andrew Wegener (July 1, 2025) (eDocket No. 20257-220591-01).

electricity. He urged the Commission to "think of ways to reduce expenses before raising our rates 11%."[90]

- *Shannon Connor,* Lakeville, urged the Commission to protect seniors from additional rate hikes – particularly after the recent increases in the fixed monthly charge. She urged the Commission to closely scrutinize the compensation arrangements for the Cooperative's and Board Members, and other measures to "cut fat," before increasing retail electricity rates.[91]

- *David Sutliff,* Eagan, expressed concern that, notwithstanding his strides in using less electricity each month, his electricity bill continues to rise. He attributes the increases to the costs of expanding the Cooperative's service to reach new customers; costs that he maintains should be borne by the new arrivals who are benefitting from the service.[92]

- *Karen Schmitt* states that the proposed rate increase of 11% is "out of line" with recent cost of living increases – which she maintains is closer to 4% for 2025. She maintains that such increases, which will be difficult for her to meet, will be worse for customers who are less fortunate than her.[93]

- *Mary Nell Zellner,* Eagan, urged the Commission to either reject or table the proposed rate increase. She maintained that the request is insufficiently supported by needed detail and that the size of the increase was more than the raises working families within the Cooperative's service area will receive in 2025. At most, she argues that a 5% increase in rates should be considered; a figure that follows the Bureau of Labor Statistics' reporting on local wage growth.[94]

- *Beverly Hueffmeier,* Eagan, opposes the proposed rate increase on the grounds that it will pose a hardship to middle-income customers within the Association's service territory. She urges consideration of a more modest increases – "perhaps 3% to 4%."[95]

- *Jonathan Morrison,* Burnsville, opposes the proposed rate increase on the grounds that it operates as transfer of wealth from lower-income customers to upper-income ratepayers. He argues that

[90] Written Comments of James Grams (June 12, 2025) (eDocket No. 20256-219910-01).
[91] Written Comments of Shannon Connor (May 1, 2025) (eDocket No. 20254-218338-01).
[92] Written Comments of David Sutliff (April 28, 2025) (eDocket No. 20254-218279-01) .
[93] Written Comments of Karen Schmidt (April 11, 2025) (eDocket No. 20254-217971-01).
[94] Written Comments of Mary Nell Zellner (April 10 and April 14, 2025) (eDocket No. 20254-217579-01; 20254-218009-01).
[95] Written Comments of Beverly Hueffmeier (April 14, 2025) (eDocket No. 20254-218010-01).

the rise in the Cooperative's capacity-related system costs follow from incentives to purchase of electric vehicles. These vehicles, he continues, draw a lot of energy from the electricity grid and is a purchase option that is only available to upper-income Minnesotans. He regards a proposed increase to meet the needs of wealthy consumers as regressive and unfair.[96]

- *Dan Reitemeier,* Apple Valley, opposes the proposed rate increase on the grounds that it is both "disproportionate" to residential ratepayers and small businesses and understates the still larger increase that will be passed on to residential customers. He projects that the true amount of the proposed rate increase is 13% to 14%, and not 11%, for residential customers.[97]

- *Chris Robison,* Apple Valley, urged the Commission to make clear how the requested $23.8 million in additional annual revenue will benefit ratepayers.[98]

- *Debra Benson,* maintains that the proposed 11% increase in rates is "completely unreasonable." She posits that an increase of half that amount might be "community friendly."[99]

- *Erik Peterman*, Eagan, urges the Commission to reject the application for a proposed rate increase as a signal to the Association that it "needs to operate within their budget like any other company."[100]

- *Kelly Sax,* Eagan, urged the Commission to reject the proposed increase. She maintains that the proposal would harm financially strapped ratepayers to provide company executives with higher pay. She characterizes the proposal as "selfish, greedy and unnecessary."[101]

- *Margaret Svien,* Farmington, recommends that the Commission reject the proposed rate increase on the grounds that, when new fee increases are added to the rate, her monthly electricity bill will rise by 42%. Additionally, she maintains that Cooperative board members

[96] Written Comments of Jonathan Morrison (April 20, 2025) (eDocket No. 20254-217921-01).
[97] Written Comments of Dan Reitemeier (April 15, 2025) (eDocket No. 20254-217769-01).
[98] Written Comments of Chris Robison (April 14, 2025) (eDocket No. 20254-217684-01).
[99] Written Comments of Debra Benson (April 12, 2025) (eDocket No. 20254-217684-01).
[100] Written Comments of Erik Peterman (April 14, 2025) (eDocket No. 20254-217684-01).
[101] Written Comments of Kelly Sax (April 10 and 14, 2025) (eDocket No. 20254-217684-01; 20254-217578-01).

are overcompensated for the nine board meetings that they attend annually.[102]

- *Sharon Welch,* Apple Valley, opposes the proposed rate increase as "excessive" and unfair to ordinary consumers. She urges the Commission to closely scrutinize the claimed bases for the requested increase.[103]

- *Madeline Baird,* Welch, opposes the proposed increase in the fixed monthly charge as unjustified and part of an effort to recoup monies the Cooperative has lost through the rise of rooftop solar systems and popularity of net metering. She expresses concern about rate decisions discouraging the adoption of solar energy alternatives.[104]

- *Robert Hansberry,* opposes the proposed rate increase, characterizing it as "excessive." He urges the Commission to approve "half this amount, or 6.5%."[105]

- *Robert Trier,* asks the Commission to "protect the consumer" by insisting upon the company's "management to cut costs," instead of raising electricity rates.[106]

- *Gerald Brown,* Apple Valley, maintains that the expenses incurred by the company's Board of Directors is not publicly available or accessible to ratepayers. He asserts that "[e]xpenses and costs need transparency, and this is not the case."[107]

- *Tamera Wimbley,* argues that Germany's experience with renewable energy projects has resulted in poor performance and an energy program that is overly "expensive, chaotic and unfair. . . ." She urges the Commission to press for the licensing and deployment of additional nuclear power resources, which she maintains are more reliable and cost-effective than wind and solar resources.[108]

- *Drea Doffing* expresses concern that the proposed rate increases are a pretext for preparing the company to serve large data centers, projects which benefit wealthy developers but not local ratepayers.[109]

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[102] Written Comments of Margaret Svien (April 11, 2025) (eDocket No. 20254-217684-01).
[103] Written Comments of Sharon Welch (April 10, 2025) (eDocket No. 20254-217580-01).
[104] Written Comments of Madeline Baird (April 8, 2025) (eDocket No. 20254-217367-01).
[105] Written Comments of Robert Hansberry (March 21, 2025) (eDocket No. 20253-216707-01).
[106] Written Comments of Robert Trier (March 15, 2025) (eDocket No. 20253-216451-01).
[107] Written Comments of Gerald Brown (February 17, 2025) (eDocket No. 20252-215452-01).
[108] Written Comments of Sharon Welch (April 10, 2025) (eDocket No. 20254-217580-01).
[109] Written Comments of Drea Doffing (May 1, 2025) (eDocket No. 20255-218546-01).

- *Robin Brown,* Farmington, opposes the proposed rate increase and expressed concern that the revenues will be drawn from current customers to build out the transmission infrastructure needed by (and benefitting only) large data centers.[110]

V. The Settlement

34. As detailed in the Settlement, the Parties were able to resolve all issues in the case.[111] The Settlement summarizes the Parties' positions on each of their applicable issues and explains each issue's resolution. The Settlement needs little explanation, as reviewing the Parties' positions and comparing party positions to the terms of the Settlement indicates the compromises that the Parties made to achieve an overall Settlement.

35. The Administrative Law Judge has reviewed the Settlement and recommends that the Commission find it to be in the public interest and supported by substantial evidence in the record. The rates that will result from implementing the Settlement will be just and reasonable.

36. The Administrative Law Judge finds the Settlement to be comprehensive and each disputed issue is reasonably resolved based on substantial record evidence. The Administrative Law Judge recommends that the Commission approve the Settlement and highlights the following factors for the Commission's consideration.

37. First, the Settlement provides for a gross revenue deficiency of $20.881 million or 9.62% increase, compared to the $23.812 million or 11% increase requested in the Cooperative's Application.[112]

38. Second, regarding revenue apportionment, the Settlement provides for a revenue apportionment with class-specific increases that results in a more moderate increase for the Residential and Small General Service classes than initially proposed by Dakota Electric,[113] addressing concerns from public commenters about the size of the proposed Residential increase.

39. Third, the Settlement is informed by, but does not endorse, any single CCOSS.[114] In some recent general rate case proceedings, the Commission has preferred to consider multiple CCOSSs rather than to base cost classification and allocation upon a single CCOSS.

40. Fourth, the Settlement's proposed return on equity, overall cost of capital, and overall return on rate base are 3.69%, 3.60%, and 5.14%. These rates adopt the

[110] Written Comments of Robin Brown (May 1, 2025) (eDocket No. 20255-218546-02).
[111] Settlement Agreement (June 6, 2025) (eDocket No. 20256-219692-01).
[112] *Id.* at 2.
[113] *Id.* at 2, 15-16.
[114] *Id.* at 14.

Department's recommended adjustments to Dakota Electric's initial proposal and are based on the actual 2023 historical capital structure, which are reasonable and supported by the record.[115]

41. Fifth, other disputed financial issues are resolved in a transparent, just, and reasonable manner. These include the test year compensation expense, employee gifts and awards, benefits expense, and utility service and fee revenues. The Settlement adopts multiple financial adjustments based on testimony filed by the Department and the OAG.[116] As part of settlement discussions, Dakota Electric provided additional support for its test year compensation expense and Minnesota Rural Electric Association (MREA) dues, and that additional information was included in attachments to the Settlement Agreement.[117]

42. Sixth, as part of the Settlement, Dakota Electric agreed to work with interested parties to develop modifications to its current policy requiring Residential members to pay a deposit in addition to the reconnection fee before reconnecting a member who has been disconnected for nonpayment.[118]

43. Seventh, as part of the Settlement, Dakota Electric agreed to notify the Commission through a letter filing in this docket if it adds 50 MW or more of data center load before its next general rate case filing.[119]

44. Eighth, Dakota Electric also agreed, as part of the Settlement, to file its plan to educate members on the new Electric Vehicle (EV) peak hours as a compliance filing in this docket.[120]

45. Ninth, as part of the Settlement, the Cooperative agreed that going forward, it would either confirm charitable contributions are made to entities that are registered in accordance with Minn. Stat. Ch. 309 or that the charity is exempt from registration with the Minnesota Attorney General's Office before seeking rate recovery of such contributions.[121]

46. Tenth, Dakota Electric agreed that in future rate cases it will exclude alcoholic beverage expenses from test year recovery.[122]

47. Finally, the Settlement resolves the miscellaneous tariff modifications proposed by Dakota Electric, which were generally not disputed.[123]

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[115] *Id.* at 3.
[116] *Id.* at 3-14.
[117] *Id.*, Attachments 3 and 4.
[118] *Id.* at 20-21.
[119] *Id.* at 20.
[120] *Id.* at 22.
[121] *Id.* at 12.
[122] *Id.* at 19.
[123] Settlement Agreement at 18-19 (June 6, 2025) (eDocket No. 20256-219692-01).

VI. Specific Issues

48. The Notice of and Order for Hearing requested that the Parties develop a full record addressing the proposed revenue increase, rate of return, rate design, capital structure, and reasons for significant changes in various categories of costs since the Cooperative's last rate case in 2019.[124] The Settlement is supported by the Parties' evaluation of the issues referred by the Commission through its Notice of and Order for Hearing and by substantial evidence in the record. The Settlement includes citations to relevant record evidence supporting the proposed resolution of the issues referred by the Commission.

49. The Settlement reduces the test year rate increase from $23.8 million per year (as requested in the Cooperative's Application) to $20.881 million per year.[125]

50. The Settlement modifies the rate design proposed by the Cooperative by reducing the Residential and Small General Service class revenue increases and adopting a more moderate increase to the Residential and Farm Service fixed monthly customer charges.[126]

51. The Settlement adopts Dakota Electric's 2023 historical capital structure to calculate the Cooperative's required return on equity, overall cost of capital, and overall return on rate base.[127] The actual 2023 equity ratio is 58.61%, and the actual debt ratio is 41.39%, resulting in test year return on equity, overall cost of capital, and overall return on rate base of 3.69%, 3.60%, and 5.14%.[128]

52. The Parties' pre-filed testimony developed a complete record supporting changes in Dakota Electric's revenues and costs since the Cooperative's last rate case. Through testimony, Dakota Electric discussed the impacts of the Covid-19 pandemic and associated supply chain and inflationary pressure on the cost of operations.[129] As part of settlement discussions, Dakota Electric provided additional support for its test year compensation expense, which is included as an attachment to the Settlement. Further, the Settlement reflects specific financial reductions to Dakota Electric's proposed revenue increase in a number of areas.[130]

VII. General Provisions of the Settlement

53. The Settlement provides for the confidentiality of settlement offers and discussions. Should the Commission reject the Settlement, the agreement provides that

[124] NOTICE OF AND ORDER FOR HEARING at 2-3 (Feb. 18, 2025) (eDocket No. 20253-216095-01).
[125] Settlement Agreement at 2 (June 6, 2025) (eDocket No. 20256-219692-01).
[126] *Id.* at 15-17.
[127] *Id.* at 3.
[128] *Id.* at 3.
[129] Ex. DEA-3 at 6-7 (Heinen Direct) (Dec. 30, 2024) (eDocket No. 202412-213383-03).
[130] Settlement Agreement at 3-13 (June 6, 2025) (eDocket No. 20256-219692-01).

it shall not be part of the record and that no party may use it for any purpose in any proceeding.[131]

54. The Settlement obligates the Parties to support and defend it in its entirety without modification.[132]

55. Should the Commission remand the case to the CAH, the Parties are free to argue their positions as set forth in their pre-filed testimony.[133]

Based on these Stipulated Findings of Fact, the Administrative Law Judge makes the following:

CONCLUSIONS OF LAW

1. The Minnesota Public Utilities Commission and the Administrative Law Judge have jurisdiction to consider this matter pursuant to Minn. Stat. §§ 14.50, 14.57, and 216B.01-.82 (2024). Minn. Stat. §§ 216B.01 and 216B.026 provide for regulation of cooperative electric associations if the members elect to become subject to rate regulation by the Commission.

2. The public and the Parties received timely and proper notice of the public hearings. The Commission and Dakota Electric complied with all procedural requirements under applicable statutes and rules.

3. Every rate set by the Commission shall be just and reasonable. Rates shall not be unreasonably preferential, prejudicial, or discriminatory, but shall be sufficient, equitable, and consistent in application to a class of consumers. The Commission shall set rates that, to the maximum reasonable extent, encourage energy conservation and renewable energy use and further the goals of Minn. Stat. §§ 216B.164, 216B.241, 216C.05 (2024).

4. The burden of proof is on the public utility to show that a rate change is just and reasonable.[134]

5. Minnesota law expressly encourages the settlement of "any or all of the issues" in rate cases.[135] The Commission reviews a settlement in a rate case proceeding to determine if it is in the public interest and supported by substantial evidence.[136]

6. The record supports the resolution of disputed issues as set out in the Settlement. The Settlement's disposition of disputed issues resolves them in a manner consistent with the public interest and on the basis of the substantial evidence, as

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[131] *Id.* at 22.
[132] *Id.* at 23.
[133] *Id.*
[134] Minn. Stat. § 216B.16, subd. 4.
[135] Minn. Stat. § 216B.16, subd. 1a(a).
[136] Minn. Stat. § 216B.16, subd. 1a(b).

articulated by the Parties in the Settlement.[137] The Administrative Law Judge relies heavily upon the Parties' ability to represent their respective interests and their decision to settle this case, as set forth above.

7. Rates set in accordance with the Settlement appear to be just and reasonable, based upon the representations of the parties.

8. The proposed changes in tariff provisions, as provided in the Settlement, appear to be reasonable and should be approved.

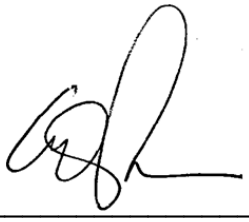
9. Any Findings of Fact more properly designated as Conclusions of Law are hereby adopted as such.

Based upon these Conclusions of Law, the Administrative Law Judge makes the following:

RECOMMENDATION

The Administrative Law Judge recommends that the Commission review and approve the Settlement and incorporate it into its Order.

Dated: October 16, 2025



Ann C. O'Reilly
Administrative Law Judge

NOTICE

Notice is hereby given that exceptions to this Report, if any, by any party adversely affected must be filed under the timeframes established in the Commission's rules of practice and procedure, Minn. R. 7829.2700, .3100 (2023), unless otherwise directed by the Commission. Exceptions should be specific and stated and numbered separately. Oral argument before a majority of the Commission will be permitted pursuant to Minn. R. 7829.2700, subp. 3 (2023). The Commission will make the final determination of the matter after the expiration of the period for filing exceptions, or after oral argument, if an oral argument is held.

[137] Because this matter settled before the evidentiary hearing in this case and before the deadline to file responsive testimony, the Administrative Law Judge has not reviewed all the evidence that could have been presented in this case.

The Commission may, at its own discretion, accept, modify, or reject the Administrative Law Judge's recommendations. The recommendations of the Administrative Law Judge have no legal effect unless expressly adopted by the Commission as its final order.

MINNESOTA
COURT OF ADMINISTRATIVE HEARINGS

Court of Administrative Hearings
PO Box 64620
Saint Paul, MN 55164-0620
651-361-7900
mn.gov/cah/

October 16, 2025

See Attached Service List

Re: ***In The Matter of the Application of Dakota Electric Association for Authority to Increase Rates for Electric Service in Minnesota***

CAH 65-2500-40635
MPUC Docket No. E-111/GR-24-400

To All Persons on the Attached Service List:

Enclosed and served upon you is the Administrative Law Judge's **STIPULATED FINDINGS OF FACT, CONCLUSIONS OF LAW, AND RECOMMENDATION TO APPROVE SETTLEMENT** in the above-entitled matter.

If you have any questions, please contact me at (651) 361-7845, samantha.cosgriff@state.mn.us, or via facsimile at (651) 539-0310.

Sincerely,

Samantha Cosgriff

SAMANTHA COSGRIFF
Legal Assistant

Enclosure
cc: Docket Coordinator

STATE OF MINNESOTA
COURT OF ADMINISTRATIVE HEARINGS
PO BOX 64620
600 NORTH ROBERT STREET
ST. PAUL, MINNESOTA 55164

CERTIFICATE OF SERVICE

In The Matter of the Application of Dakota Electric Association for Authority to Increase Rates for Electric Service in Minnesota	CAH Docket No.: 65-2500-40635 MPUC Docket No. E-111/GR-24-400

On October 16, 2025, a true and correct copy of the **STIPULATED FINDINGS OF FACT, CONCLUSIONS OF LAW, AND RECOMMENDATION TO APPROVE SETTLEMENT** was served by eService, and United States mail, (in the manner indicated on the attached service list) to the following individuals:

#	First Name	Last Name	Email	Organization	Agency	Address	Delivery Method	Alternate Delivery Method	View Trade Secret	Service List Name
1	Katherine	Arnold	katherine.arnold@ag.state.mn.us		Office of the Attorney General - Department of Commerce	445 Minnesota Street Suite 1400 St. Paul MN, 55101 United States	Electronic Service		No	24-400 Official CC Service List
2	Sasha	Bergman	sasha.bergman@state.mn.us		Public Utilities Commission		Electronic Service		No	24-400 Official CC Service List
3	Mike	Bull	mike.bull@state.mn.us		Public Utilities Commission	121 7th Place East, Suite 350 St. Paul MN, 55101 United States	Electronic Service		No	24-400 Official CC Service List
4	Generic	Commerce Attorneys	commerce.attorneys@ag.state.mn.us		Office of the Attorney General - Department of Commerce	445 Minnesota Street Suite 1400 St. Paul MN, 55101 United States	Electronic Service		No	24-400 Official CC Service List
5	Eric	Fehlhaber	efehlhaber@dakotaelectric.com	Dakota Electric Association		4300 220th St W Farmington MN, 55024 United States	Electronic Service		No	24-400 Official CC Service List
6	Sharon	Ferguson	sharon.ferguson@state.mn.us		Department of Commerce	85 7th Place E Ste 280 Saint Paul MN, 55101-2198 United States	Electronic Service		No	24-400 Official CC Service List
7	Adam	Heinen	aheinen@dakotaelectric.com	Dakota Electric Association		4300 220th St W Farmington MN, 55024 United States	Electronic Service		No	24-400 Official CC Service List
8	Katherine	Hinderlie	katherine.hinderlie@ag.state.mn.us		Office of the Attorney General - Residential Utilities Division	445 Minnesota St Suite 1400 St. Paul MN, 55101-2134 United States	Electronic Service		No	24-400 Official CC Service List
9	Corey	Hintz	chintz@dakotaelectric.com	Dakota Electric Association		4300 220th Street Farmington MN, 55024-9583 United States	Electronic Service		No	24-400 Official CC Service List
10	Amrit	Hundal	amrit.hundal@ag.state.mn.us		Office of the Attorney General - Department of Commerce		Electronic Service		No	24-400 Official CC Service List
11	Ann	O'Reilly	ann.oreilly@state.mn.us		Office of Administrative Hearings	PO Box 64620 St. Paul MN, 55101 United States	Electronic Service		Yes	24-400 Official CC Service List
12	Wendy	Raymond	wendy.raymond@ag.state.mn.us		Office of the Attorney General - Residential Utilities Division	445 Minnesota Street Suite 600 St. Paul MN, 55101 United States	Electronic Service		No	24-400 Official CC Service List
13	Generic Notice	Residential Utilities Division	residential.utilities@ag.state.mn.us		Office of the Attorney General - Residential Utilities Division	1400 BRM Tower 445 Minnesota St St. Paul MN, 55101-2131 United States	Electronic Service		No	24-400 Official CC Service List
14	Janet	Shaddix Elling	jshaddix@janetshaddix.com	Shaddix And Associates		7400 Lyndale Ave S Ste 190 Richfield MN,	Electronic Service		Yes	24-400 Official CC Service List

#	First Name	Last Name	Email	Organization	Agency	Address	Delivery Method	Alternate Delivery Method	View Trade Secret	Service List Name
						55423 United States				
15	Kristin	Stastny	kstastny@taftlaw.com	Taft Stettinius & Hollister LLP		2200 IDS Center 80 South 8th Street Minneapolis MN, 55402 United States	Electronic Service		No	24-400 Official CC Service List
16	Godwin	Ubani	godwin.ubani@state.mn.us		Public Utilities Commission	121 7th Place East, Suite 350 St. Paul MN, 55101 United States	Electronic Service		No	24-400 Official CC Service List