MINNESOTA
PUBLIC UTILITIES COMMISSION

Agenda Meeting on December 11, 2025 - Item No. 1
Dakota Electric Association Rate Case -Docket E-111/GR-24-400

DECISION OPTIONS

ALJ Findings of Fact, Conclusions of Law, and Recommendations

1. Adopt the ALJ's Findings of Fact, Conclusions of Law and Recommendations, and approve the Settlement.

2. Accept and adopt the ALJ's Findings of Fact, Conclusions of Law and Recommendations and approve the Settlement with modification listed below.

3. Reject all of the ALJ's Findings of Fact, Conclusions of Law, and Recommendations.

Staff note: [If the Commission adopts Decision Option 1, the Settlement position on all of the following issues will be adopted by default, and the Commission can skip to the "General Housekeeping and Compliance Issues" starting with Decision Option 901. If the Commission adopts Decision Option 2, it should select Decision Options only for issues on which the Commission's decision differs from the Settlement.]

Financial Issues

Employee Compensation

101. Approve Dakota Electric salary expense of $11,983,503 for test-year. (Department, OAG, Dakota Electric)

102 Disallow Dakota Electric other pay expense of $243,453 for test-year. (Department, OAG, Dakota Electric))

103 Approve Dakota Electric salary expense of $12,683,502.75 for test-year. (Dakota Electric Initial Filing)

104 Approve Dakota Electric other pay expense of $545,709.21 for test-year. (Dakota Electric Initial Filing)

Employee Awards and Gifts

105 Disallow Dakota Electric recovery of $23,539 in recreation and entertainment expense. (OAG, Dakota Electric, ALJ)

106 Disallow Dakota Electric recovery of $45,472in employee appreciation gifts, celebrations, and new employee welcome lunches expenses. (OAG, DEA, ALJ)

107 Allow Dakota Electric to recover recreation, entertainment, employee appreciation gifts, celebrations and new employee welcome lunch expense as initially filed. (DEA Initial Filing)

Payroll Taxes

108 Disallow recovery of $257,249 in payroll taxes for test year. (Department, DEA, ALJ)

109 Allow Dakota Electric to recover test year payroll taxes of $1,697,832. (DEA Initial Filing)

Benefits

110 Disallow recovery of benefits in the amounts of Life insurance $48,788, Workers' Compensation $45,000, Post-Employment 106 Benefit $85,000, and Pension Expense $115,095. (Department, DEA, ALJ)

111 Allow Dakota Electric to recover employee benefits as initially filed. (DEA Initial Filing)

Utility Service Revenue

112 Require Dakota Electric to increase utility service revenue by $70,000. (Department, DEA, ALJ)

113 Allow Dakota Electric to use initial amount for utility service revenue. (DEA Initial Filing)

Charges and Fees Revenue

114 Require Dakota Electric to increase charges and fees revenue by $70,000. (The Department, Dakota Electric, All Parties)

115 Allow Dakota Electric to use initial amount for charges and fees revenue. (Dakota Electric

Legacy Meters

116 Require Dakota Electric to reduce test year depreciation expense by $465,604 and increase accumulated depreciation by $465,604, resulting in an increase to test year revenue deficiency of $23,932, for a net reduction to the revenue deficiency of $441,672 to reflect the removal of legacy meters from the test year. (Department, DEA, ALJ)

117 Allow Dakota Electric to recover depreciation and amortization expense of $14,089,060 in test year. (DEA Initial Filing)

Bad Debt Expense

118 Require Dakota Electric to reduce test year bad debt expense by $135,000. (Department, DEA, ALJ)

119 Allow Dakota Electric to recover bad debt expense of $743,567 for test year as initially filed. (DEA Initial Filing)

MREA and NRECA Dues

120 Require Dakota Electric to reduce test year expense by $57,249 related to a portion of MREA dues and $93,747 the full amount of NRECA dues included in the 2023 test year. (OAG, DEA, ALJ)

121 Allow Dakota Electric to recover dues expense of $376,734 for test year as initially filed. (DEA Initial Filing)

Chamber of Commerce

122 Require Dakota Electric to reduce test year expense by $6,344 related to a portion of dues for Chambers of Commerce and Greater MSP. (OAG, DEA, ALJ)

123 Allow Dakota Electric to recover Chambers of Commerce and Greater MSP dues expense of $25,375 for test year as initially filed. (DEA Initial Filing)

Charitable Contributions

124 Require Dakota Electric to reduce test year expense by $32,687 related charitable contributions. (OAG, DEA, ALJ)

125 Require Dakota Electric in future rate cases to confirm charitable contributions are registered in accordance with Minn. Stat. Ch. 309 or that the charity is exempt from registration with Minnesota Attorney General's Office before seeking rate recovery. (OAG, DEA, ALJ)

126 Allow Dakota Electric to recover charitable contribution as initially filed. (DEA Initial Filing)

Community Events

127 Require Dakota Electric to reduce test year expense by $7,008 related to a portion of community events. (OAG, DEA, ALJ)

128 Allow Dakota Electric to recover community events expense of $7,729 for test year as initially filed. (DEA Initial Filing)

Cash Working Capital

129 Approve the methodology used to calculate the cash working capital included in rate base. (Department, DEA, ALJ)

130 Allow Dakota Electric to use original methodology on working capital. (DEA Initial Filing)

Travel and Entertainment – Alcoholic Beverages

131 Disallow recovery of all alcoholic-beverage expense in 2023 test year and in DEA future rate cases. (OAG, DEA, ALJ)

132 Allow Dakota Electric to recover alcoholic-beverage expense in 2023 test year and future rate cases (DEA Initial Filing)

Base Cost of Energy

133 Require Dakota Electric will file a revised base cost of energy, supporting schedules, and resource and tax adjustment tariffs to be in effect with the implementation of final rates in this case. (DEA, ALJ)

134 Allow Dakota Electric to not to revise base cost of energy. (DEA Initial Filing)

Class Cost of Service Study

201 Approve Dakota Electric's corrected CCOSS as reasonable as recommended by the ALJ (ALJ, DEA, Department, OAG)

Cost Of Capital

301 Adopt The Agreed Upon Rate of Return. (ALJ, Department, DEA, OAG)

Sales Forecast

401 Approve Dakota Electric's proposed test-year customer count and energy sales volumes for all classes of customers with the exception of the Residential and Farm Service class. For the Residential and Farm Service class, approve the adjustments recommended by the Department and accepted by Dakota Electric. (ALJ, DEA, Department)

Rate Design

Revenue Apportionment

501. Approve the revenue allocation as recommended by the ALJ. (ALJ, DEA, Department, OAG)

Customer Charges

502. Approve the customer charges as recommended by the ALJ. (ALJ, DEA, Department, OAG)

Residential Time of Day Tariff

503. Approve the Residential Time of Day Tariff as recommended by the ALJ. (ALJ, DEA)

Standby Service

504**.** Approve the Standby rates as recommended by the ALJ. (ALJ, DEA, Department)

Electric Vehicles Rates

505. Approve the Electric Vehicle rates as recommended by the ALJ. (ALJ, DEA, Department, OAG)

506. Approve the plan educating Electric Vehicle customers on the new peak charging hours. (ALJ, DEA, Department, OAG)

Line Extension Charges

507. Approve the Line Extension charges as recommended by the ALJ. (ALJ, DEA, Department, OAG)

Service and Connection Charges

508**.** Approve the service and connection charges as recommended by the ALJ. (ALJ, DEA, Department, OAG)

509. Require Dakota Electric to implement changes as soon as practicable, including, if necessary, making a filing for approval with the Commission by February 26, 2026 to allow for Commission review and approval by May 1, 2026. (DEA, Department, OAG)

Data Center Reporting

510. Require Dakota Electric 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. (DEA, OAG)

Idle Service Tariff

511. Approve the Idle Service Tariff with the fixed monthly charge equal to $12.00. (DEA, Department)

Other Miscellaneous Tariffs

512. Approve proposed miscellaneous tariff changes listed in Workpaper 27. (DEA, Department)

General Housekeeping and Compliance Issues

901 Require Dakota Electric to prepare summary financial schedules including: a calculation of Dakota electric's authorized cost of capital, a rate base summary, an operating income statement summary, a gross revenue deficiency calculation, and a statement of the total allowed revenues. Require Settlement Parties to work with commission staff to prepare such schedules for inclusion in the order, should modifications be necessary to reflect the commission's final decision.

902. Require Dakota Electric to file the following within 30 days of the order:

A. Revised schedules of rates and charges reflecting the revenue requirement and the rate design decisions herein, along with the proposed effective date, and including the following information:

i. Breakdown of Total Operating Revenues by type;

ii. Schedules showing all billing determinants for the retail sales (and sale for resale) of electricity. These schedules shall include but not be limited to:

1) Total revenue by customer class;
2) Total number of customers, the customer charge and total customer charge revenue by class; and
3) For each customer class, the total number of energy and demand related billing units, the per unit energy and demand cost of energy, and the total energy and demand related sales revenues.

iii. Revised tariff sheets incorporating authorized rate design decisions;

iv. Proposed customer notices explaining the final rates, the monthly basic service charges, and any and all changes to rate design and customer billing.

B. A revised base cost of energy supporting schedules, and resource and tax adjustment tariffs to be in effect on the date final rates are implemented.

C. A summary listing of all other rate riders and charges in effect, and continuing, after the date final rates are implemented.

D. If final authorized rates are lower than interim rates, a proposal to make refunds of interim rates consistent with the Commission's decision in this proceeding, to affected customers.

903. Require that any comments on compliance filings be filed within 30 days of the compliance filing. Delegate authority to the Executive Secretary to modify this comment deadline via notice.

904. Where not otherwise specified within the Commission's Order, adopt the ALJ's Findings of Fact, Conclusions of Law, and Recommendations. Delegate authority to the Executive Secretary to modify the ALJ Report if necessary to reflect the Commission's findings. (Staff)