



Your Touchstone Energy® Cooperative

A locally owned, nonprofit electric utility

An Affirmative Action/Equal Opportunity Employer

August 31, 2017

- Via Electronic Filing -

Daniel P. Wolf, Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, Minnesota 55101-2147

**Re: Dakota Electric Association's
2017 Annual Reports Containing Power Cost Information and Data
(Minnesota Rules 7825.2800 - 7825.2840)
Docket No. G,E999/AA 17-492
PUBLIC DOCUMENT**

Dear Mr. Wolf:

Enclosed is Dakota Electric Association's 2017 Annual Power Cost Report as required by the above-referenced Minnesota Rules. This annual report consists of the following exhibits:

- Exhibit A - Dakota Electric's Fuel Procurement Policy
(Minn. Rule pt. 7825.2800),
- Exhibit B - Dakota Electric's Annual Report of Automatic Adjustment Charges for the period July 2016 through June 2017
(Minn. Rule pt. 7825.2810),
- Exhibit C - Annual Agreed Upon Procedures Report on Dakota Electric's Accounting for Automatic Adjustments during the period July 2016 through June 2017
(Minn. Rule pt. 7825.2820 and Minn. Rule pt. 7825.2810),
- Exhibit D - Dakota Electric's Annual Five-Year Projection of Fuel Costs
(Minn. Rule pt. 7825.2830),
- Exhibit E - Dakota Electric's Notice of Report Availability
(Minn. Rule pt. 7825.2840).

Exhibit D is clearly identified as containing TRADE SECRET INFORMATION. Specifically, this section includes competitive wholesale capacity and energy price information which is not available to the public. Disclosure of this information could be used by market participants to the disadvantage of our wholesale power supplier.

Daniel P. Wolf
August 31, 2017
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If you have any questions about the information in this report, please contact me at 651-463-6385.

/s/ Randy Olson

Randy Olson
Financial Analyst

c: Service List

Certificate of Service

I, Randy Olson, 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. G,E999/AA 17-492

Dated this 31st day of August, 2017

/s/ Randy Olson

Randy Olson



Your Touchstone EnergySM Partner 

The Touchstone Energy logo, which consists of three stylized human figures in red, blue, and yellow, holding hands in a circle above a green arc.

2017 Annual Reports

Submitted in Compliance with

**Minnesota Rules
7825.2800 - 7825.2840**

**Public Document
Trade Secret Data has been Excised**

August 31, 2017

Exhibit A

Dakota Electric's Fuel Procurement Policy

(Minn. Rule pt. 7825.2800)

Dakota Electric Association

Fuel Procurement and Dispatching Policies

&

Summary of Actions Taken to Minimize Cost

Overview

This exhibit reviews fuel procurement, dispatching policies, and actions taken by both Dakota Electric Association and Great River Energy to minimize costs. Dakota Electric aggressively pursues load management and energy conservation efforts. Great River Energy continually seeks efficiency improvements in the operation of its power plants. GRE also continues to pursue organizational and financial strategies that help to minimize the cost of wholesale power and better prepare the organization for a more competitive future.

Dakota Electric Association

Background

Organization and Area Served

Dakota Electric Association was incorporated as a non-profit electric distribution cooperative in April 1937. As a member-owned electric cooperative, Dakota Electric strives to implement policies and rates that are in the best interest of all members.

With headquarters in Farmington, Minnesota, Dakota Electric serves consumers throughout 507 square miles in Dakota, Goodhue, Rice, and Scott Counties. The majority of Dakota Electric's members are located in the southern tier of municipalities in the Minneapolis - St. Paul metropolitan area. The largest of these municipalities include Burnsville, Eagan, Apple Valley, Lakeville, Rosemount, and Farmington.

Member Profile

Dakota Electric is a predominantly suburban cooperative with over 105,000 members. Dakota Electric's member base is 92 percent residential, with all other member classes accounting for the remaining 8 percent as shown below:

Member Class	Number of Members	Percent of Total
Residential	97,493	92.4%
Irrigation	392	0.4%
Small Comm.	4,708	4.5%
Large Comm.	2,888	2.7%
Total	105,481	100.0%

Energy Sales and System Demand

Dakota Electric experiences annual fluctuations in the number of members and energy sales, as these are correlated with demographic and economic trends as well as weather and other usage factors. Energy sales were 1.8 billion kWh and coincident peak demand was 379 MW in June 2016.

Wholesale Power Supply

Dakota Electric is one of 28 distribution cooperatives that own Great River Energy. Dakota Electric has a signed purchased power contract with Great River Energy to December 31, 2045. In 2016, Dakota Electric accounted for approximately 16 percent of Great River Energy's total energy sales to members.

Conservation

As part of Dakota Electric's conservation efforts, listed below are ongoing energy efficiency projects and capacity conservation projects:

Air Conditioning Tune-Up Program

Compressed Air Efficiency Assessment

Commercial Ground Source Heat Pump

Commercial & Industrial - Agricultural (C&I-A) Energy Grant

Commercial & Industrial Electrical Evaluation and Consultation

Commercial – Small Roof Top Units

Depreciation of DSM Plant

Distribution Automation

Electric Car

Electron Commutated Motor (ECM) Rebate Program

Energy Audits – Commercial

Energy Education

Energy Efficiency & Environmental Training

Energy Management Database

Energy Star – Clothes Dryer

Energy Star – Freezer Rebate with Recycling

Energy Star – Lighting CFL & LED

Energy Star – Refrigerator Rebate with Recycling

Energy Wise New Home Construction

Fluorescent Bulb Recycling

Income Eligible Non Cap Projects

Interruptible Air Conditioning

Interruptible Commercial & Industrial Loads

Interruptible Irrigation

Low Income Air Conditioner Tune-Up

Low Income Audit Program

Low Income Clothes Washer Program

Low Income Dehumidifier Program

Low Income Dishwasher Program

Low Income Freezer

Low Income Microwave Program

Low Income Refrigerator Replacement Program

Low Income Room Air Conditioner Program

Low Income Water Heater Program

Off-Peak Space Heating – Dual Fuel
Off-Peak Space Heating – Electric Thermal Storage
Off-Peak Water Heating – Electric Thermal Storage / Peak Shave Water Heating
Quality Installation of Central Air Conditioning
Quality Installation of Air Source Heat Pump
Renewable Energy - Wellspring
Residential Electrical Evaluation and Consultation
Residential Ground Source Heat Pump
Working Appliance Recycling Freezer
Working Appliance Recycling Refrigerator

Rate Design

Beyond conservation program efforts, Dakota Electric also pursues rate designs that will encourage members to conserve energy and capacity and receive lower rates that reflect Dakota Electric's system savings from such actions.

Dakota Electric offers the following targeted load control and time-of-day rates for residential members:

- Residential and Farm Demand Control Rate (Schedule 32)
- Residential Electric Vehicles (Schedule 33)
- Controlled Energy Storage (Schedule 51)
- Controlled Interruptible Service (Schedule 52)
- Residential and Farm Service Time-of-Day Rate (Schedule 53)
- Residential and Farm Service Time-of-Day Rate (Schedule 56)
- Controlled Air Conditioning Service (Schedule 80)

Dakota Electric offers the following targeted load control and time-of-day rates for general service members:

- Interruptible Irrigation Service (Schedule 36)
- Controlled Energy Storage (Schedule 51)
- Controlled Interruptible Service (Schedule 52)

- General Service Optional Time-of-Day Rate (Schedule 54)
- Interruptible Service (Full Interruptible Option) (Schedule 70)
- Interruptible Service (Partial Interruptible Option) (Schedule 71)
- Controlled Air Conditioning Service (Schedule 80)

Dakota Electric estimates that it is able to reduce its summer peak demand by 120 to 140 MW of diversified demand through capacity conservation and targeted rates. For a point of reference, the summer controlled peak demand in 2016 was 348 MW.

In addition to these specific load control and time-of-day rates, Dakota Electric utilizes a seasonal rate structure that reflects wholesale power costs which are higher in the summer. Under this seasonal rate structure, members receive price signals that encourage the efficient use of energy and contribute to conservation.

Great River Energy

Background

Great River Energy (GRE), based in Maple Grove, Minnesota, is a not-for-profit electric generation and transmission cooperative owned and governed by its 28 member distribution cooperatives. GRE supplies electricity through its members to approximately 685,000 member-consumers in Minnesota and a small portion of western Wisconsin. These member-consumers include residences, farms, commercial and industrial facilities representing about 1.7 million people. Based on 2016 system-wide energy sales, approximately 60 percent of GRE members' electric load may be characterized as residential (including seasonal) and about 40 percent as commercial and industrial.

Resources

Generation Assets

GRE's generation resource portfolio has approximately 3,141 MW of power generation capability with a diverse mix of fuel types including: coal, wind, hydro, solar, biomass, natural gas and oil.

GRE's baseload generation facilities include Coal Creek Station in North Dakota and Elk River Energy Recovery Station in Minnesota. GRE owns and operates Spiritwood Station, a combined heat and power plant in North Dakota designed to be an efficient and reliable source of both electric and thermal energy. GRE also owns and operates natural gas-fired peaking plants across Minnesota including Pleasant Valley Station, Lakefield Junction Station, Cambridge Station and Elk River Peaking Station as well as several smaller oil-fired peaking plants. Peaking plants are critical to supporting electric reliability during times of peak demand or when non-dispatchable generation sources like wind power and solar power are unavailable. GRE's peaking plants have

about 99 percent availability during the summer which enables GRE to meet resource adequacy requirements and supply members' demand for electricity.

GRE's maintenance of generation assets is vital to ensure availability of the units when needed. GRE proactively works with contractors to achieve high performance contractor work during planned outages. GRE has multi-year contracts with major equipment manufacturers and outage support contractors (i.e. General Electric & Siemens) to help ensure that planned outages meet scope, budget and schedule goals. A number of these contracts have performance-based incentives for meeting outage schedules and budgets. Also, GRE has multiple outage planning staff and tools to help ensure that appropriate contingency plans are in place to mitigate the risk of delays or performance for contractors working on planned outage activities. GRE's proactive planning with all stakeholders helps ensure that planned outages are completed in a timely and fiscally responsible manner.

GRE has added significant amounts of renewable energy to its resource portfolio with purchases from nine wind projects in Minnesota, North Dakota and Iowa totaling almost 470 MW. In 2017, GRE signed power purchase agreements for another 400 MW from wind projects in North Dakota and Minnesota with production beginning in 2020 and 2021. GRE currently receives wind energy from the following resources:

- Trimont Area Wind Farm (100 MW) in Southwestern Minnesota, Minnesota's first commercial-scale, landowner-developed wind farm – November, 2005;
- Prairie Star Wind Farm (101 MW) in Southeastern Minnesota – December, 2007;
- Elm Creek Wind Farm (99 MW) Southwestern Minnesota – November, 2008;
- Ashtabula II (51 MW) in Northeastern North Dakota – August 2010;
- Endeavor I (100 MW) in Northwestern Iowa – April 2011; and
- Four small wind projects (17 MW total) in Southern Minnesota – Chandler, Dodge Center, Jackson County and Rolling Green.

GRE completed construction on a 250 kW solar array at its headquarters site in June 2014. The project measures the performance of different panel technologies, assesses the benefits of a variety of inverters and documents lessons learned while

designing, financing, permitting and installing the solar array. In 2015, GRE completed the installation of nineteen 20 kW solar arrays throughout its service area, including one near Dakota Electric's headquarters in Farmington, MN. In 2016, GRE completed construction of a 2.25 MW solar array, as a dedicated wholesale power supply resource for one of its members.

In addition, GRE receives biomass energy from:

- Elk River Energy Recovery Station Refuse Derived Fuel (30 MW)
- Elk River Landfill Gas (3 MW)

Purchases from two Dairy Anaerobic Digesters (4 MW) ended in 2017.

GRE's renewable energy resources are registered in the Midwest Renewable Energy Tracking System (M-RETS), which is used for tracking and regulatory compliance.

GRE is a market participant in the wholesale energy and ancillary services markets operated by the Midcontinent Independent System Operator, Inc. (MISO). MISO's central dispatch and congestion management functions make the most efficient use of the region's electric generation and transmission resources. Beginning in May, 2009, GRE became a member of ACES Power Marketing (ACES), a portfolio management organization owned and governed by its members. GRE utilizes ACES' power market transactional and risk management services to help minimize costs associated with serving GRE's member load in the MISO market. ACES, as an agent for GRE, bids GRE's member load requirements and offers GRE's generation into the MISO markets on a daily and hourly basis. In addition, GRE and ACES work together to supplement GRE's owned generation resources with market purchases and sales agreements.

On May 1, 2017, GRE retired Stanton Station, a 189 MW coal-fired power plant located in Mercer County, North Dakota. GRE is implementing plans to decommission Stanton Station in a responsible manner that will safeguard the local environment and assure the safety and security of the local community.

GRE's most recent Integrated Resource Plan (IRP) was filed with the Minnesota Public Utilities Commission (MPUC) on April 28, 2017. The MPUC issued a Notice of Comment Period on May 1, 2017 specifying that initial comments on GRE's plan are due by September 1, 2017 and reply comments are due by November 1, 2017. GRE plans to meet future load growth with continued energy efficiency, renewable energy, natural gas, and market purchases. The IRP filing addresses market changes, load growth, energy efficiency, generation resources, environmentally beneficial electrification, and state and federal environmental policies.

Transmission Assets

GRE owns, in whole or in part, more than 5,400 miles of transmission line in Minnesota and North Dakota and 102 transmission substations to serve the entire load-serving transmission requirements of its 28 member cooperatives. GRE transmits its members' energy requirements to more than 560 member-owned distribution substations, distributed over 62 percent of Minnesota, geographically. GRE performs some of its transmission duties to its members under the MISO Open Access Transmission, Energy and Operating Reserve Markets Tariff, including wholesale transmission service and coordinated regional planning.

GRE employs licensed engineering and design staff for substation engineering, relaying and protection, communications, line design and surveying. When internal resources are unavailable, or where specialized skills are required, GRE augments internal staff by using external consultants and/or contractors. The primary system operations control center is located in Elk River, Minnesota, along with a backup control center in out-state Minnesota. GRE has eight service centers strategically located throughout Minnesota and North Dakota staffed with line, relay, apparatus and telecommunication technicians and the necessary equipment to assess and respond quickly to transmission interruptions. Through transmission planning and NERC regulatory compliance functions, GRE continually assesses, monitors and takes action as needed to maintain compliance with applicable engineering, reliability and operating regulations. This includes compliance with NERC reliability standards, the IEEE

National Electric Safety Code (NESC), as well as appropriate local, state and federal environmental regulations, and MISO market operating requirements.

Environmental Stewardship

GRE has a long history of supporting responsible environmental stewardship. Its commitment towards minimizing the environmental impacts of business activities is encapsulated in its 1999 board-approved Environment Policy. GRE strives to implement cost effective opportunities to comply with state and federal environmental regulations.

Conservation and Energy Efficiency

GRE, and its member cooperatives, work together to meet Minnesota's Conservation Improvement Program Goal to achieve energy savings equal to at least 1.5 percent of gross annual retail energy sales. This cooperative partnership reduced the need for over 126,915 MWh of electricity and reduced summer peak demand by 48 MW in 2016. GRE provides approximately \$6.2 million in energy efficiency rebates to member-consumers each year through local, cooperative-sponsored energy conservation programs.

In June 2010, GRE dedicated the first installation of a technology developed and owned by GRE to make coal-fueled power plants cleaner and more efficient. Known as DryFinishing™, the system improves fuel quality by simultaneously drying and refining lignite coal. DryFinishing was designed to reduce fuel input into boilers, increase power plant efficiency, and reduce emissions. The DryFinishing facility at GRE's Coal Creek Station is reducing emissions of sulfur dioxide by more than 40 percent, mercury by as much as 40 percent, nitrogen oxides by more than 20 percent and carbon dioxide by 4 percent. DryFinished coal is also used at GRE's Spiritwood Station.

GRE has actively pursued combined heat and power (CHP) generation as one of the most efficient means to generate electricity and supply process heat to other industrial processes. The Blue Flint Ethanol plant is co-located with Coal Creek Station and it uses waste steam as its primary source of process energy in lieu of operating its own fossil-fuel fired boiler. Spiritwood Station is a CHP plant that also supplies process steam to an

adjacent malt plant and the newly operating Dakota Spirit AgEnergy biorefinery. CHP plants are highly energy efficient because they use the energy in their steam cycle to both produce electricity and satisfy the thermal energy needs of nearby industrial operations.

GRE's headquarters facility, in Maple Grove, Minnesota, is one of the most energy-efficient buildings in the region and was constructed to the highest standard of Leadership in Energy and Environmental Design certification from the U.S. Green Building Council. GRE designed the building to minimize long-term operating costs and has shared its technologies and experiences with over 14,000 visitors since the building was completed in 2008. GRE expanded LEED certified facilities to: three service centers, a maintenance facility, and an office building in Bismarck, ND.

Renewable Energy

GRE's large portfolio of existing renewable energy resources, banking of renewable energy credits and the future 400 MW wind energy purchases are expected to satisfy Minnesota's Renewable Energy Standard until approximately 2032, at which point GRE plans to add additional renewable resources.

GRE and its member cooperatives offer the Wellspring Renewable Energy® Program through which customers may choose to buy additional wind energy for a subscription price. At the close of 2016, nearly 5,400 member-consumers participated in the program. Beginning mid-2015, the Wellspring program was expanded to include a customer option to voluntarily purchase solar energy at a subscription price and at the close of 2016, over 30 member-consumers participated in the program.

Environmental Compliance

With the exception of its most recent plant, Spiritwood Station, all of GRE's generation facilities and transmission system are ISO 14001 registered. ISO 14001 is a voluntary international standard of excellence in environmental practices that requires a company to continuously evaluate and improve its environmental performance. To benchmark its progress and improve its compliance systems, GRE annually audits portions of its environmental media compliance programs. Independent, third-party audits

are conducted annually on specific environmental media as well as on the ISO 14001 environmental management systems. All audit findings or observations are reviewed by top management and addressed as part of a continuous improvement process. This process of continuous improvement helps reduce operational risk and ensure compliance across the organization.

GRE has taken substantial steps to mitigate the impact of its operations on the environment. Efforts to enhance GRE's environmental stewardship include continued conservation and energy efficiency efforts, purchasing energy from renewable resources, operating facilities in accordance with registered environmental management systems, investing in emissions controls and developing commercial uses for its facilities' byproducts. More information on GRE's environmental compliance can be found in GRE's 2017 Resource Plan, Docket No ET2/RP-17-286 (see pages 16-17, 61-62 and Appendix H of the initial filing).

Exhibit B

Dakota Electric's Annual Report of Automatic Adjustment Charges
for the period
July 2016 through June 2017

(Minn. Rule pt. 7825.2810)

DAKOTA ELECTRIC ASSOCIATION

Power Cost Adjustment Procedure and Summary

Reference

See Exhibit C-II for financial analysis references made as part of this discussion.

Background

Resource and Tax Adjustment (RTA)

Dakota Electric Association (DEA) has a “Resource and Tax Adjustment” (RTA) that includes three (3) components:

1. Power Cost Adjustment (PCA);
2. Conservation Tracker Account Recovery Adjustment (TRA); and
3. Property Tax Adjustment (PTA).

For purposes of this filing, the PCA is shown separately from the TRA and PTA components of the RTA on the attached Exhibit C-II. Each component can be either a credit or a charge, and the components are then summed in the Resource and Tax Adjustment which will be either a net credit or charge. The RTA is calculated annually in January with a mid-year true up allowed in July if needed.

This report is a summary filing due each year on September 1st which is used to disclose and review the PCA. A summary of the annual TRA and PTA expenses and recovery are included with the January RTA filing.

Power Cost Adjustment

PCA Components

Dakota Electric Association (DEA) includes both capacity costs and energy costs in its Power Cost Adjustment (PCA). Inclusion of both components is a result of DEA purchasing 100% of its power from Great River Energy (GRE). The recovery mechanism, Docket No. E-111/M-99-1396, is also included.

Bi-Annual PCA Calculations

Each January, DEA calculates its PCAs based on its power supplier's annual change in energy and capacity charges. In addition, each July DEA has been allowed to review its PCA balance and true-up any over- or under-recovery of power costs. This procedure results in a recurring, recalculation of PCAs which includes carrying forward over- or under-recovery aggregate amounts to be included in future period PCAs.

The standard PCA clause that combines energy and capacity costs (along with charges set annually by GRE) has a predictable effect on our recovery of purchased power. Since energy costs are a straight pass-through based on kWh sales, energy revenue will match energy costs. However, since the capacity portion of the adjustment must be derived based on a sales forecast, the capacity revenue will, most likely, never match capacity costs. Sales usually are either greater than or less than forecast, resulting in a corresponding over- or under-recovery of capacity costs. In addition, GRE may apply a wholesale PCA to each month's billing. Since this adjustment to purchased power costs cannot be immediately incorporated into our recovery, it contributes to the over- or under- recovery of total power costs.

2014 Rate Case

On June 8, 2015, DEA received approval to incorporate a base cost of power of 90.3 mills/kWh on the majority of its rate classes to become effective for electric usage on and after November 12, 2015. This filing used a 14.0 mill differential between the cost of power in the summer months of June, July, and August and the cost of power in all other months. Utilizing this differential and the average cost of power for summer and other months, base power costs of 100.5 and 86.5 mills per kWh were applied in Exhibit II Statement of Electric Power Automatic Resource Adjustment Charges (Credits) by Class of Service. The approved base power costs for the remainder of the rates are as follows:

Energy Cost Adjustment (Rates 37, 70, and 71) is 49.7 mills per kWh
Controlled Energy Storage (Rate 51) is 20.0 mills per kWh
Controlled Interruptible (Rate 52) is 30.5 mills per kWh
Geothermal (Rate 49) is 77.5 mills per kWh

Report Summary

Power Cost -- Actual + Recovery Mechanism	\$149,710,574
Power Cost -- Billed to Consumers	\$147,944,508
Over- or (Under-) Recovery of Power Cost	\$ (1,766,066) ¹

Percent Over- or (Under-) Recovered (1.18%)²

Note: See comments under Exhibit C-I Item E for explanation regarding the under recovery of power costs above.

¹ Exhibit C-II

² $(1,766,066) \div 149,710,574 = (1.18\%)$

Exhibit C

Annual Agreed Upon Procedures Report
on
Dakota Electric's
Accounting for Automatic Adjustments
during the period
July 2016 through June 2017

(Minn. Rule pt. 7825.2820 and Minn. Rule pt. 7825.2810)



Independent Accountant's Report on Applying Agreed-Upon Procedures

The Board of Directors
Dakota Electric Association
Farmington, Minnesota

We have performed the procedures enumerated below, which were agreed to by the audit committee and management of Dakota Electric Association, on Dakota Electric Association's Annual Report - Automatic Adjustment of Charges (Credits) for the year ended June 30, 2017, solely for the purpose of complying with Rule 7825.2820 of the Rules of the Minnesota Public Utilities Commission Governing Automatic Adjustment of Charges (Credits). Dakota Electric Association's management is responsible for the Automatic Adjustment of Charges (Credits). The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

1. Confirm with the power supplier the cost of purchased power for the period July 1, 2016 through June 30, 2017. Compare the documentation supporting payments and invoices received from the utility supplying energy.
2. Examine the Minnesota Public Utilities Commission – Approved Base Costs of Power, Docket No. E-111/GR14-482 and compare the base costs of power to the bases in use.
3. Recalculate the billing adjustment charge (credit) per kWh charged customers for purchased power for the period July 1, 2016 through June 30, 2017, as set forth in Exhibit II – Statement of Electric Power Automatic Resource Adjustment Charges (Credits) by Class of Service and compare with the filed tariff.
4. Review the accounting records for the revenues billed to customers for energy delivered for the period July 1, 2016 through June 30, 2017. Compare the total sales of electric energy in kWh to the Association's billing register. On a test basis, examine individual billings for each class of service, recalculate the automatic adjustment charges and credits used by Dakota Electric Association and trace these amounts to the individual customers' subsidiary records to ensure that the calculated credit or charge was recorded.
5. Examine the Minnesota Public Utilities Commission – Order Approving Conservation Adjustment and Granting Variance, Docket No. E-111/M-94-227 and Order Approving Proposal for Mechanism to Correct the Power Cost Adjustment, Docket No. E-111/M-99-1396. Agree the amounts of conservation cost recovery expenses included in the conservation tracker recovery account to the accounting records.

6. Examine Minnesota Public Utilities Commission – Order Approving Property Tax Adjustment Rider as Modified and Granting Variance, Docket No. E-111/M-95-1395. Recalculate the projected under recovered property tax and examine, on a test basis, property tax billings. Agree the amounts included in the property tax tracker recovery account to the accounting records.
7. Reconcile the total revenue and the cost of power to Dakota Electric Association's general ledger with the information in Exhibit II.
8. Recalculate the true-up calculation and trace the related revenue and expense amounts to Dakota Electric Association's accounting records and note the agreement with the amounts used in the true-up calculation.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and Rule 7825.2820 of the Rules of the Minnesota Public Utilities Commission Governing Automatic Adjustment of Charges (Credits). We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Automatic Adjustment of Charges (Credits) for the year ended June 30, 2017. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the audit committees and management of Dakota Electric Association and Eide Bailly LLP, and is not intended to be and should not be used by anyone other than these specified parties.

The image shows a handwritten signature in cursive script that reads "Eide Bailly LLP". The signature is written in dark ink and is positioned above the printed name of the firm.

Sioux Falls, South Dakota
August 30, 2017

DAKOTA ELECTRIC ASSOCIATION
RULE 7825.2810
ANNUAL REPORT - AUTOMATIC RESOURCE ADJUSTMENT CHARGES (CREDITS)
FOR THE TWELVE MONTHS ENDED JUNE 30, 2017

- A. The Minnesota Public Utilities Commission approved the 2014 rate case on June 8, 2015, Docket No. E-111/GR-14-482. This approval allowed DEA to incorporate a base cost of power of 90.3 mills/kWh on the majority of its rate classes effective for electric usage on and after November 12, 2015. This filing used a 14.0 mill differential between the cost of power in the summer months of June, July, and August and the cost of power in all other months. Utilizing this differential and the average cost of power for summer and other months, base power costs of 100.5 and 86.5 mills per kWh were applied in Exhibit II Statement of Electric Power Automatic Resource Adjustment Charges (Credits) by Class of Service. The approved base power costs for the remainder of the rates are as follows:
- Energy Cost Adjustment (Rates 37, 70, and 71) is 49.1 mills per kWh
 - Controlled Energy Storage (Rate 51) is 20.0 mills per kWh
 - Controlled Interruptible (Rate 52) is 30.5 mills per kWh
 - Geothermal (Rate 49) is 77.5 mills per kWh
- B. The power cost adjustment amount and kWh for each class of service is shown in Exhibit II - Statement of Electric Power Automatic Resource Adjustment Charges (Credits) by Class of Service.
- C. The billing amounts by gas supplier is not applicable as the company does not sell gas.
- D. The total power cost of kWh delivered to members for the reporting period was **\$149,594,673**. In addition, **\$105,880** was recovered through the mechanism to eliminate the double crediting of demand side programs in the PCA. The PCA calculation was changed in August 2010 (based on the rate case) to calculate the cost/kWh relating to the cost of power for each rate class based on the actual rates used by GRE. The net amount of **\$149,710,574** is set forth in Exhibit II - Statement of Electric Power Automatic Resource Adjustment Charges (Credits) by Class of Service.
- E. The revenue billed to members for the cost of power delivered for the reporting period was **\$147,944,508** as set forth in Exhibit II- Statement of Electric Power Automatic Resource Adjustment Charges (Credits) by Class of Service. Our PCA is set on a calendar basis to recover the prior years over/under billed amount as well as the current year's projected power costs. Since the reporting period covered by this filing is not a calendar year, the total over/under billed amount does not reflect the actual status of our recovery.
- F. No supplier refunds were received during the reporting period.
- G. No refunds were received; therefore none were distributed to members.

DAKOTA ELECTRIC ASSOCIATION
RULE 7825.2810
ANNUAL REPORT - AUTOMATIC RESOURCE ADJUSTMENT CHARGES (CREDITS)
FOR THE TWELVE MONTHS ENDED JUNE 30, 2017

The Association received permission from the Public Utilities Commission on May 10, 1994, Docket No. E-III/M-94-227, to change from a power cost adjustment to a resource adjustment. The resource adjustment consists of the prior power cost adjustment combined with an adjustment as a surcharge to recover lost revenues and margins due to conservation and load management and conservation cost recovery. The resource adjustment replaced the power cost adjustment in billing periods starting in May 1994.

The Association received permission from the Public Utilities Commission on April 22, 1996, Docket No. E-III/M-95-1395, to change from a resource adjustment to a resource and property tax adjustment. The resource and tax adjustment consists of the prior resource adjustment and an adjustment for property taxes charged to the Association above the cost in the previous rate case. The resource and property tax adjustment replaced the resource adjustment in billing periods starting in May 1996.

The Association received permission from the Public Utilities Commission on January 7, 2000, Docket No. E-111/M-99-1396, to implement a mechanism to correct the power cost adjustment needed to eliminate double crediting through the Company's demand-side management program and its Resource and Tax Adjustment.

The amount in Exhibit II, shown as DSM & Tax Recovery, include (\$342,556) from July 1, 2016 to June 30, 2017 for conservation cost recovery and (\$87,439) for property tax recovery.

Dakota Electric Association
Statement of Electric Power Automatic Resource
Adjustment Charges (Credits) by Rate Class
For the Twelve Months Ended June 30, 2017

Exhibit C-II

Pg 1 of 18

All Rates

(A)	(B)	(C)	(D)	(E)	(F)
Month	kWh Sales		Cost of Power and Recovery Mechanism		Over-billed (Under-billed)
			Billed	Incurred	
Jul-16	178,773,659		15,701,951	18,981,949	(3,279,998)
Aug-16	198,791,628		17,674,848	18,305,334	(630,486)
Sep-16	170,956,298		13,431,660	10,868,862	2,562,798
Oct-16	141,304,267		11,070,497	9,306,568	1,763,929
Nov-16	130,316,259		10,178,974	9,615,581	563,393
Dec-16	143,506,099		11,213,732	12,657,724	(1,443,992)
Jan-17	158,536,045		12,554,408	12,488,107	66,301
Feb-17	146,910,800		11,665,093	11,008,874	656,219
Mar-17	136,050,713		10,617,563	10,066,345	551,218
Apr-17	128,574,059		10,016,907	9,107,299	909,608
May-17	131,280,558		10,170,618	10,517,249	(346,631)
Jun-17	155,030,171		13,648,257	16,786,682	(3,138,425)
	<u>1,820,030,556</u>		<u>147,944,508</u>	<u>149,710,574</u>	<u>(1,766,066)</u>

-1.18%

(G)	(H)	(I)	(J)	(K)
Month	Electric Rate Revenue	Power Cost Adjustment	DSM & Tax Recovery	Total Billed Revenue
Jul-16	19,995,989	328,355	(3,829)	20,320,515
Aug-16	22,228,928	387,346	(4,089)	22,612,185
Sep-16	18,924,933	331,412	(4,057)	19,252,288
Oct-16	15,152,581	261,434	(3,706)	15,410,309
Nov-16	13,876,358	236,859	(3,537)	14,109,680
Dec-16	15,119,605	266,062	(3,737)	15,381,930
Jan-17	16,660,187	405,350	84,673	17,150,210
Feb-17	15,517,979	377,028	78,031	15,973,038
Mar-17	14,294,024	334,397	71,965	14,700,386
Apr-17	13,682,096	313,112	67,906	14,063,114
May-17	13,858,331	309,915	68,582	14,236,828
Jun-17	16,858,098	372,426	81,793	17,312,317
	<u>196,169,109</u>	<u>3,923,696</u>	<u>429,995</u>	<u>200,522,800</u>

Dakota Electric Association
Statement of Electric Power Automatic Resource
Adjustment Charges (Credits) by Rate Class
For the Twelve Months Ended June 30, 2017

Exhibit C-II

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Reconciliation with Financial Statements

	Total kWh	Total Revenue	Cost of Power ¹
Total Electric kWh, Revenue & Power Cost Billed for the Twelve Months Ended June 30, 2017	1,820,030,556	\$ 200,522,800	\$ 149,594,673
Other Electric Revenue - Fees & Charges		2,605,653	
Wellspring	[Included above]	35,316	35,154
Standby Reservation Fee		62,840	25,433
Rate 55 - Residential Co Generation		(45,435)	
Accruals and Adjustments			
Reverse DSM & Tax Recovery		(429,995)	
Accrued PCA		(651,856)	
Accrued Balance June 30, 2016	(26,885,368)	(3,436,896)	
Accrued Balance June 30, 2017	44,485,773	5,749,833	
Other Adjustments		(3,072)	(4)
Total Electric kWh, Revenue & Power Cost for the Twelve Months Ended June 30, 2017	1,837,630,961	\$ 204,409,188	\$ 149,655,257

¹ Cost of Power Billed by GRE to DEA.

Dakota Electric Association
Statement of Electric Power Automatic Resource
Adjustment Charges (Credits) by Rate Class
For the Twelve Months Ended June 30, 2017

Exhibit C-II

Pg 3 of 18

Rate 31
Residential & Farm Service

(A)	(B)	(C)	(D)	(E)	(F)
		Rates			
		Base	Power	DSM Tracker	Tax Tracker
		Cost of	Cost	Account	Account
Month	kWh Sales	Power	Adjustment	Recovery	Recovery
Jul-16	85,723,120	0.1005	0.0030	0.0000	0.0000
Aug-16	98,731,935	0.1005	0.0030	0.0000	0.0000
Sep-16	85,789,722	0.0865	0.0030	0.0000	0.0000
Oct-16	64,767,529	0.0865	0.0030	0.0000	0.0000
Nov-16	56,565,711	0.0865	0.0030	0.0000	0.0000
Dec-16	65,006,251	0.0865	0.0030	0.0000	0.0000
Jan-17	76,264,718	0.0865	0.0030	0.0004	0.0002
Feb-17	68,628,700	0.0865	0.0030	0.0004	0.0002
Mar-17	60,213,862	0.0865	0.0030	0.0004	0.0002
Apr-17	56,247,351	0.0865	0.0030	0.0004	0.0002
May-17	53,578,746	0.0865	0.0030	0.0004	0.0002
Jun-17	68,538,106	0.1005	0.0030	0.0004	0.0002
	<u>840,055,751</u>				

(G)	(H)	(I)	(J)	(K)	(L)
	Electric	Power	DSM &	Total	
	Rate	Cost	Tax	Billed	
Month	Revenue	Adjustment	Recovery	Revenue	COP Billed
Jul-16	11,719,559	257,169	0	11,976,728	8,872,343
Aug-16	13,482,002	296,196	0	13,778,198	10,218,755
Sep-16	11,642,860	257,369	0	11,900,229	7,678,180
Oct-16	8,466,349	194,303	0	8,660,652	5,796,694
Nov-16	7,479,263	169,697	0	7,648,960	5,062,631
Dec-16	8,462,082	195,019	0	8,657,101	5,818,059
Jan-17	9,781,793	228,794	45,759	10,056,346	6,825,692
Feb-17	8,889,388	205,886	41,177	9,136,451	6,142,269
Mar-17	7,907,958	180,642	36,128	8,124,728	5,389,141
Apr-17	7,444,723	168,742	33,748	7,647,213	5,034,138
May-17	7,154,800	160,736	32,147	7,347,683	4,795,298
Jun-17	8,982,320	205,614	41,123	9,229,057	7,093,694
	<u>111,413,097</u>	<u>2,520,167</u>	<u>230,082</u>	<u>114,163,346</u>	<u>78,726,894</u>

Dakota Electric Association
Statement of Electric Power Automatic Resource
Adjustment Charges (Credits) by Rate Class
For the Twelve Months Ended June 30, 2017

Exhibit C-II

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Rate 32
Residential and Farm Demand Control Rate

(A)	(B)	(C)	(D)	(E)	(F)
		Rates			
		Base	Power	DSM Tracker	Tax Tracker
		Cost of	Cost	Account	Account
Month	kWh Sales	Power	Adjustment	Recovery	Recovery
Jul-16	15,038	0.1005	0.0030	0.0000	0.0000
Aug-16	18,233	0.1005	0.0030	0.0000	0.0000
Sep-16	16,720	0.0865	0.0030	0.0000	0.0000
Oct-16	16,688	0.0865	0.0030	0.0000	0.0000
Nov-16	23,342	0.0865	0.0030	0.0000	0.0000
Dec-16	34,034	0.0865	0.0030	0.0000	0.0000
Jan-17	59,685	0.0865	0.0030	0.0004	0.0002
Feb-17	50,023	0.0865	0.0030	0.0004	0.0002
Mar-17	43,047	0.0865	0.0030	0.0004	0.0002
Apr-17	34,353	0.0865	0.0030	0.0004	0.0002
May-17	23,884	0.0865	0.0030	0.0004	0.0002
Jun-17	21,367	0.1005	0.0030	0.0004	0.0002
	356,414				

(G)	(H)	(I)	(J)	(K)	(L)
	Electric	Power	DSM &	Total	
	Rate	Cost	Tax	Billed	
Month	Revenue	Adjustment	Recovery	Revenue	COP Billed
Jul-16	2,173	45	0	2,218	1,556
Aug-16	2,546	55	0	2,601	1,887
Sep-16	2,215	50	0	2,265	1,496
Oct-16	2,006	50	0	2,056	1,494
Nov-16	2,605	70	0	2,675	2,089
Dec-16	3,691	102	0	3,793	3,046
Jan-17	5,983	179	36	6,198	5,342
Feb-17	5,096	150	30	5,276	4,477
Mar-17	4,553	129	26	4,708	3,853
Apr-17	3,751	103	21	3,875	3,075
May-17	2,609	72	14	2,695	2,138
Jun-17	2,544	64	13	2,621	2,211
	39,772	1,069	140	40,981	32,664

Dakota Electric Association
Statement of Electric Power Automatic Resource
Adjustment Charges (Credits) by Rate Class
For the Twelve Months Ended June 30, 2017

Exhibit C-II
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Rate 33
Residential Electric Vehicle Rate

(A)	(B)	(C)	(D)	(E)	(F)
Month	kWh Sales	Rates			
		Base Cost of Power	Power Cost Adjustment	DSM Tracker Account Recovery	Tax Tracker Account Recovery
Jul-16	7,082	0.1005	0.0030	0.0000	0.0000
Aug-16	7,270	0.1005	0.0030	0.0000	0.0000
Sep-16	6,841	0.0865	0.0030	0.0000	0.0000
Oct-16	8,924	0.0865	0.0030	0.0000	0.0000
Nov-16	8,435	0.0865	0.0030	0.0000	0.0000
Dec-16	10,566	0.0865	0.0030	0.0000	0.0000
Jan-17	11,271	0.0865	0.0030	0.0004	0.0002
Feb-17	11,729	0.0865	0.0030	0.0004	0.0002
Mar-17	11,162	0.0865	0.0030	0.0004	0.0002
Apr-17	10,174	0.0865	0.0030	0.0004	0.0002
May-17	11,081	0.0865	0.0030	0.0004	0.0002
Jun-17	11,245	0.1005	0.0030	0.0004	0.0002
	115,780				

(G)	(H)	(I)	(J)	(K)	(L)
Month	Electric Rate Revenue	Power Cost Adjustment	DSM & Tax Recovery	Total Billed Revenue	COP Billed
Jul-16	588	21	0	609	733
Aug-16	603	22	0	625	752
Sep-16	578	21	0	599	612
Oct-16	728	27	0	755	799
Nov-16	721	25	0	746	755
Dec-16	906	32	0	938	946
Jan-17	976	34	7	1,017	1,009
Feb-17	1,019	35	7	1,061	1,050
Mar-17	950	33	7	990	999
Apr-17	906	31	6	943	911
May-17	951	33	7	991	992
Jun-17	904	34	7	945	1,164
	9,830	348	41	10,219	10,722

Dakota Electric Association
Statement of Electric Power Automatic Resource
Adjustment Charges (Credits) by Rate Class
For the Twelve Months Ended June 30, 2017

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Rate 36
Irrigation - Firm Service

(A)	(B)	(C)	(D)	(E)	(F)
		Rates			
		Base	Power	DSM Tracker	Tax Tracker
		Cost of	Cost	Account	Account
Month	kWh Sales	Power	Adjustment	Recovery	Recovery
Jul-16	62,811	0.1005	0.0030	0.0000	0.0002
Aug-16	52,830	0.1005	0.0030	0.0000	0.0002
Sep-16	28,040	0.0865	0.0030	0.0000	0.0002
Oct-16	26,042	0.0865	0.0030	0.0000	0.0002
Nov-16	6,966	0.0865	0.0030	0.0000	0.0002
Dec-16	583	0.0865	0.0030	0.0000	0.0002
Jan-17	528	0.0865	0.0030	0.0004	0.0002
Feb-17	467	0.0865	0.0030	0.0004	0.0002
Mar-17	562	0.0865	0.0030	0.0004	0.0002
Apr-17	6,717	0.0865	0.0030	0.0004	0.0002
May-17	21,275	0.0865	0.0030	0.0004	0.0002
Jun-17	55,648	0.1005	0.0030	0.0004	0.0002
	262,469				

(G)	(H)	(I)	(J)	(K)	(L)
	Electric	Power	DSM &	Total	
	Rate	Cost	Tax	Billed	
Month	Revenue	Adjustment	Recovery	Revenue	COP Billed
Jul-16	17,741	188	13	17,942	6,501
Aug-16	17,021	158	11	17,190	5,468
Sep-16	7,525	84	6	7,615	2,510
Oct-16	7,478	78	5	7,561	2,331
Nov-16	4,904	21	1	4,926	623
Dec-16	310	2	0	312	52
Jan-17	294	2	0	296	47
Feb-17	289	1	0	290	42
Mar-17	344	2	0	346	50
Apr-17	4,356	20	4	4,380	601
May-17	8,467	64	13	8,544	1,904
Jun-17	15,252	167	33	15,452	5,760
	83,981	787	86	84,854	25,889

Dakota Electric Association
Statement of Electric Power Automatic Resource
Adjustment Charges (Credits) by Rate Class
For the Twelve Months Ended June 30, 2017

Exhibit C-II

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Rate 37
Irrigation - Interruptible Service

(A)	(B)	(C)	(D)	(E)	(F)
		Rates			
		Base	Power	DSM Tracker	Tax Tracker
		Cost of	Cost	Account	Account
Month	kWh Sales	Power	Adjustment	Recovery	Recovery
Jul-16	2,676,062	0.0497	(0.0017)	0.0000	0.0002
Aug-16	1,883,517	0.0497	(0.0017)	0.0000	0.0002
Sep-16	66,081	0.0497	(0.0017)	0.0000	0.0002
Oct-16	54,971	0.0497	(0.0017)	0.0000	0.0002
Nov-16	34,652	0.0497	(0.0017)	0.0000	0.0002
Dec-16	29,351	0.0497	(0.0017)	0.0000	0.0002
Jan-17	7,165	0.0497	0.0004	0.0004	0.0002
Feb-17	6,740	0.0497	0.0004	0.0004	0.0002
Mar-17	7,130	0.0497	0.0004	0.0004	0.0002
Apr-17	29,604	0.0497	0.0004	0.0004	0.0002
May-17	108,560	0.0497	0.0004	0.0004	0.0002
Jun-17	1,002,776	0.0497	0.0004	0.0004	0.0002
	<u>5,906,609</u>				

(G)	(H)	(I)	(J)	(K)	(L)
	Electric	Power	DSM &	Total	
	Rate	Cost	Tax	Billed	
Month	Revenue	Adjustment	Recovery	Revenue	COP
Jul-16	247,960	(4,549)	535	243,946	128,451
Aug-16	205,687	(3,202)	377	202,862	90,409
Sep-16	23,162	(112)	13	23,063	3,172
Oct-16	20,357	(93)	11	20,275	2,639
Nov-16	18,720	(59)	7	18,668	1,663
Dec-16	13,325	(50)	6	13,281	1,409
Jan-17	11,883	3	4	11,890	359
Feb-17	11,868	3	4	11,875	338
Mar-17	11,965	3	4	11,972	357
Apr-17	17,056	12	18	17,086	1,483
May-17	32,245	43	65	32,353	5,439
Jun-17	139,644	401	602	140,647	50,239
	<u>753,872</u>	<u>(7,600)</u>	<u>1,646</u>	<u>747,918</u>	<u>285,958</u>

Dakota Electric Association
Statement of Electric Power Automatic Resource
Adjustment Charges (Credits) by Rate Class
For the Twelve Months Ended June 30, 2017

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Rate 41
Small General Service

(A)	(B)	(C)	(D)	(E)	(F)
		Rates			
		Base	Power	DSM Tracker	Tax Tracker
		Cost of	Cost	Account	Account
Month	kWh Sales	Power	Adjustment	Recovery	Recovery
Jul-16	3,545,297	0.1005	0.0030	0.0000	(0.0001)
Aug-16	3,941,677	0.1005	0.0030	0.0000	(0.0001)
Sep-16	3,364,187	0.0865	0.0030	0.0000	(0.0001)
Oct-16	3,157,993	0.0865	0.0030	0.0000	(0.0001)
Nov-16	3,238,687	0.0865	0.0030	0.0000	(0.0001)
Dec-16	3,694,974	0.0865	0.0030	0.0000	(0.0001)
Jan-17	4,231,100	0.0865	0.0030	0.0004	0.0003
Feb-17	4,085,666	0.0865	0.0030	0.0004	0.0003
Mar-17	3,502,583	0.0865	0.0030	0.0004	0.0003
Apr-17	3,269,169	0.0865	0.0030	0.0004	0.0003
May-17	3,144,450	0.0865	0.0030	0.0004	0.0003
Jun-17	3,327,241	0.1005	0.0030	0.0004	0.0003
	<u>42,503,024</u>				

(G)	(H)	(I)	(J)	(K)	(L)
	Electric	Power	DSM &	Total	
	Rate	Cost	Tax	Billed	
Month	Revenue	Adjustment	Recovery	Revenue	COP Billed
Jul-16	512,027	10,636	(355)	522,308	366,938
Aug-16	558,679	11,825	(394)	570,110	407,964
Sep-16	446,814	10,093	(336)	456,571	301,095
Oct-16	415,435	9,474	(316)	424,593	282,640
Nov-16	424,954	9,716	(324)	434,346	289,862
Dec-16	476,459	11,085	(369)	487,175	330,700
Jan-17	537,244	12,693	2,962	552,899	378,683
Feb-17	520,712	12,257	2,860	535,829	365,667
Mar-17	454,903	10,508	2,452	467,863	313,481
Apr-17	428,542	9,808	2,288	440,638	292,591
May-17	414,463	9,433	2,201	426,097	281,428
Jun-17	473,895	9,982	2,329	486,206	344,369
	<u>5,664,127</u>	<u>127,510</u>	<u>12,998</u>	<u>5,804,635</u>	<u>3,955,418</u>

Dakota Electric Association
Statement of Electric Power Automatic Resource
Adjustment Charges (Credits) by Rate Class
For the Twelve Months Ended June 30, 2017

Exhibit C-II

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Rate 44
Street & Security Lighting Service

(A)	(B)	(C)	(D)	(E)	(F)
		Rates			
		Base	Power	DSM Tracker	Tax Tracker
		Cost of	Cost	Account	Account
Month	kWh Sales	Power	Adjustment	Recovery	Recovery
Jul-16	930,781	0.1005	0.0030	0.0000	(0.0001)
Aug-16	931,691	0.1005	0.0030	0.0000	(0.0001)
Sep-16	931,151	0.0865	0.0030	0.0000	(0.0001)
Oct-16	933,574	0.0865	0.0030	0.0000	(0.0001)
Nov-16	935,213	0.0865	0.0030	0.0000	(0.0001)
Dec-16	935,885	0.0865	0.0030	0.0000	(0.0001)
Jan-17	936,251	0.0865	0.0030	0.0004	0.0002
Feb-17	936,293	0.0865	0.0030	0.0004	0.0002
Mar-17	937,211	0.0865	0.0030	0.0004	0.0002
Apr-17	936,604	0.0865	0.0030	0.0004	0.0002
May-17	936,710	0.0865	0.0030	0.0004	0.0002
Jun-17	936,150	0.1005	0.0030	0.0004	0.0002
	<u>11,217,514</u>				

(G)	(H)	(I)	(J)	(K)	(L)
	Electric	Power	DSM &	Total	
	Rate	Cost	Tax	Billed	
Month	Revenue	Adjustment	Recovery	Revenue	COP Billed
Jul-16	168,323	2,792	(93)	171,022	96,336
Aug-16	168,574	2,795	(93)	171,276	96,430
Sep-16	168,569	2,793	(93)	171,269	83,338
Oct-16	169,056	2,801	(93)	171,764	83,555
Nov-16	169,371	2,806	(94)	172,083	83,702
Dec-16	169,581	2,808	(94)	172,295	83,762
Jan-17	169,667	2,809	562	173,038	83,794
Feb-17	169,690	2,809	562	173,061	83,798
Mar-17	169,828	2,812	562	173,202	83,880
Apr-17	169,748	2,810	562	173,120	83,826
May-17	169,877	2,810	562	173,249	83,836
Jun-17	169,845	2,808	562	173,215	96,892
	<u>2,032,129</u>	<u>33,653</u>	<u>2,812</u>	<u>2,068,594</u>	<u>1,043,149</u>

Dakota Electric Association
Statement of Electric Power Automatic Resource
Adjustment Charges (Credits) by Rate Class
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Rate 46
General Service

(A)	(B)	(C)	(D)	(E)	(F)
		Rates			
		Base	Power	DSM Tracker	Tax Tracker
		Cost of	Cost	Account	Account
Month	kWh Sales	Power	Adjustment	Recovery	Recovery
Jul-16	40,443,914	0.1005	0.0030	0.0000	0.0000
Aug-16	45,934,874	0.1005	0.0030	0.0000	0.0000
Sep-16	38,813,008	0.0865	0.0030	0.0000	0.0000
Oct-16	35,968,814	0.0865	0.0030	0.0000	0.0000
Nov-16	35,083,909	0.0865	0.0030	0.0000	0.0000
Dec-16	36,442,217	0.0865	0.0030	0.0000	0.0000
Jan-17	38,017,061	0.0865	0.0030	0.0004	0.0000
Feb-17	37,818,790	0.0865	0.0030	0.0004	0.0000
Mar-17	33,735,834	0.0865	0.0030	0.0004	0.0000
Apr-17	32,015,108	0.0865	0.0030	0.0004	0.0000
May-17	34,997,320	0.0865	0.0030	0.0004	0.0000
Jun-17	38,767,765	0.1005	0.0030	0.0004	0.0000
	<u>448,038,614</u>				

(G)	(H)	(I)	(J)	(K)	(L)
	Electric	Power	DSM &	Total	
	Rate	Cost	Tax	Billed	
Month	Revenue	Adjustment	Recovery	Revenue	COP
Jul-16	4,639,080	121,332	0	4,760,412	4,185,945
Aug-16	5,056,722	137,805	0	5,194,527	4,754,259
Sep-16	4,150,636	116,439	0	4,267,075	3,473,764
Oct-16	3,831,437	107,906	0	3,939,343	3,219,209
Nov-16	3,636,182	105,252	0	3,741,434	3,140,010
Dec-16	3,729,271	109,327	0	3,838,598	3,261,578
Jan-17	3,798,996	114,051	15,207	3,928,254	3,402,527
Feb-17	3,747,844	113,456	15,128	3,876,428	3,384,782
Mar-17	3,462,359	101,208	13,494	3,577,061	3,019,357
Apr-17	3,386,197	96,045	12,806	3,495,048	2,865,352
May-17	3,700,511	104,992	13,999	3,819,502	3,132,260
Jun-17	4,490,039	116,303	15,507	4,621,849	4,012,464
	<u>47,629,274</u>	<u>1,344,116</u>	<u>86,141</u>	<u>49,059,531</u>	<u>41,851,507</u>

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(A)	(B)	(C)	(D)	(E)	(F)
		Rates			
		Base Cost of Power	Power Cost Adjustment	DSM Tracker Account Recovery	Tax Tracker Account Recovery
Month	kWh Sales				
Jul-16	0	0.0000	0.0000	0.0000	0.0000
Aug-16	0	0.0000	0.0000	0.0000	0.0000
Sep-16	0	0.0000	0.0000	0.0000	0.0000
Oct-16	0	0.0000	0.0000	0.0000	0.0000
Nov-16	0	0.0000	0.0000	0.0000	0.0000
Dec-16	0	0.0000	0.0000	0.0000	0.0000
Jan-17	0	0.0000	0.0000	0.0000	0.0000
Feb-17	0	0.0000	0.0000	0.0000	0.0000
Mar-17	0	0.0000	0.0000	0.0000	0.0000
Apr-17	0	0.0000	0.0000	0.0000	0.0000
May-17	0	0.0000	0.0000	0.0000	0.0000
Jun-17	0	0.0000	0.0000	0.0000	0.0000
	<u>0</u>				
	<u><u>0</u></u>				
(G)	(H) Electric Rate Revenue	(I) Power Cost Adjustment	(J) DSM & Tax Recovery	(K) Total Billed Revenue	(L) COP Billed
Month					
Jul-16	875	0	0	875	0
Aug-16	875	0	0	875	0
Sep-16	875	0	0	875	0
Oct-16	895	0	0	895	0
Nov-16	945	0	0	945	0
Dec-16	945	0	0	945	0
Jan-17	925	0	0	925	0
Feb-17	945	0	0	945	0
Mar-17	955	0	0	955	0
Apr-17	955	0	0	955	0
May-17	955	0	0	955	0
Jun-17	955	0	0	955	0
	<u>11,100</u>	<u>0</u>	<u>0</u>	<u>11,100</u>	<u>0</u>

Dakota Electric Association
Statement of Electric Power Automatic Resource
Adjustment Charges (Credits) by Rate Class
For the Twelve Months Ended June 30, 2017

Exhibit C-II

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Rate 49
Geothermal Heat Pump

(A)	(B)	(C)	(D)	(E)	(F)
Month	kWh Sales	Rates			
		Base Cost of Power	Power Cost Adjustment	DSM Tracker Account Recovery	Tax Tracker Account Recovery
Jul-16	12,769	0.0775	0.0014	0.0000	0.0000
Aug-16	14,853	0.0775	0.0014	0.0000	0.0000
Sep-16	12,331	0.0775	0.0014	0.0000	0.0000
Oct-16	9,877	0.0775	0.0014	0.0000	0.0000
Nov-16	11,367	0.0775	0.0014	0.0000	0.0000
Dec-16	16,451	0.0775	0.0014	0.0000	0.0000
Jan-17	26,913	0.0775	0.0016	0.0004	0.0000
Feb-17	19,518	0.0775	0.0016	0.0004	0.0000
Mar-17	15,995	0.0775	0.0016	0.0004	0.0000
Apr-17	12,124	0.0775	0.0016	0.0004	0.0000
May-17	10,471	0.0775	0.0016	0.0004	0.0000
Jun-17	11,405	0.0775	0.0016	0.0004	0.0000
	174,074				

(G)	(H)	(I)	(J)	(K)	(L)
Month	Electric Rate Revenue	Power Cost Adjustment	DSM & Tax Recovery	Total Billed Revenue	COP Billed
Jul-16	1,200	18	0	1,218	1,007
Aug-16	1,396	21	0	1,417	1,172
Sep-16	1,159	17	0	1,176	973
Oct-16	928	14	0	942	779
Nov-16	1,068	16	0	1,084	897
Dec-16	1,546	23	0	1,569	1,298
Jan-17	2,530	43	11	2,584	2,129
Feb-17	1,835	31	8	1,874	1,544
Mar-17	1,504	26	6	1,536	1,265
Apr-17	1,140	19	5	1,164	959
May-17	984	17	4	1,005	828
Jun-17	1,072	18	5	1,095	902
	16,362	263	39	16,664	13,753

Dakota Electric Association
Statement of Electric Power Automatic Resource
Adjustment Charges (Credits) by Rate Class
For the Twelve Months Ended June 30, 2017

Exhibit C-II

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Rate 51
Controlled Energy Storage

(A)	(B)	(C)	(D)	(E)	(F)
		Rates			
		Base	Power	DSM Tracker	Tax Tracker
		Cost of	Cost	Account	Account
Month	kWh Sales	Power	Adjustment	Recovery	Recovery
Jul-16	867,516	0.0200	0.0014	0.0000	0.0000
Aug-16	1,005,875	0.0200	0.0014	0.0000	0.0000
Sep-16	778,880	0.0200	0.0014	0.0000	0.0000
Oct-16	522,018	0.0200	0.0014	0.0000	0.0000
Nov-16	505,287	0.0200	0.0014	0.0000	0.0000
Dec-16	723,271	0.0200	0.0014	0.0000	0.0000
Jan-17	1,036,417	0.0200	0.0016	0.0004	0.0002
Feb-17	994,863	0.0200	0.0016	0.0004	0.0002
Mar-17	862,654	0.0200	0.0016	0.0004	0.0002
Apr-17	784,975	0.0200	0.0016	0.0004	0.0002
May-17	628,276	0.0200	0.0016	0.0004	0.0002
Jun-17	756,099	0.0200	0.0016	0.0004	0.0002
	<u>9,466,131</u>				

(G)	(H)	(I)	(J)	(K)	(L)
	Electric	Power	DSM &	Total	
	Rate	Cost	Tax	Billed	
Month	Revenue	Adjustment	Recovery	Revenue	COP Billed
Jul-16	38,088	1,215	0	39,303	18,565
Aug-16	44,213	1,408	0	45,621	21,526
Sep-16	34,270	1,090	0	35,360	16,668
Oct-16	22,968	731	0	23,699	11,171
Nov-16	22,233	707	0	22,940	10,813
Dec-16	31,824	1,013	0	32,837	15,478
Jan-17	45,601	1,658	622	47,881	22,387
Feb-17	43,681	1,592	597	45,870	21,489
Mar-17	37,957	1,380	518	39,855	18,633
Apr-17	34,539	1,256	471	36,266	16,955
May-17	27,644	1,005	377	29,026	13,571
Jun-17	33,268	1,210	454	34,932	16,332
	<u>416,286</u>	<u>14,265</u>	<u>3,039</u>	<u>433,590</u>	<u>203,588</u>

Dakota Electric Association
Statement of Electric Power Automatic Resource
Adjustment Charges (Credits) by Rate Class
For the Twelve Months Ended June 30, 2017

Exhibit C-II

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Rate 52
Controlled Interruptible Service

(A)	(B)	(C)	(D)	(E)	(F)
		Rates			
		Base	Power	DSM Tracker	Tax Tracker
		Cost of	Cost	Account	Account
Month	kWh Sales	Power	Adjustment	Recovery	Recovery
Jul-16	3,887,574	0.0305	0.0006	0.0000	0.0000
Aug-16	4,596,231	0.0305	0.0006	0.0000	0.0000
Sep-16	3,529,916	0.0305	0.0006	0.0000	0.0000
Oct-16	2,356,012	0.0305	0.0006	0.0000	0.0000
Nov-16	2,546,532	0.0305	0.0006	0.0000	0.0000
Dec-16	3,734,470	0.0305	0.0006	0.0000	0.0000
Jan-17	5,376,265	0.0305	0.0059	0.0004	0.0002
Feb-17	4,861,664	0.0305	0.0059	0.0004	0.0002
Mar-17	4,133,421	0.0305	0.0059	0.0004	0.0002
Apr-17	3,643,422	0.0305	0.0059	0.0004	0.0002
May-17	2,718,338	0.0305	0.0059	0.0004	0.0002
Jun-17	3,160,191	0.0305	0.0059	0.0004	0.0002
	<u>44,544,036</u>				

(G)	(H)	(I)	(J)	(K)	(L)
	Electric	Power	DSM &	Total	
	Rate	Cost	Tax	Billed	
Month	Revenue	Adjustment	Recovery	Revenue	COP Billed
Jul-16	213,830	2,333	0	216,163	120,904
Aug-16	252,808	2,758	0	255,566	142,943
Sep-16	194,156	2,118	0	196,274	109,780
Oct-16	129,597	1,414	0	131,011	73,272
Nov-16	140,086	1,528	0	141,614	79,197
Dec-16	205,418	2,241	0	207,659	116,142
Jan-17	295,848	31,720	3,226	330,794	195,696
Feb-17	267,427	28,684	2,917	299,028	176,965
Mar-17	227,139	24,387	2,480	254,006	150,457
Apr-17	200,426	21,496	2,186	224,108	132,621
May-17	149,543	16,038	1,631	167,212	98,948
Jun-17	173,797	18,645	1,896	194,338	115,031
	<u>2,450,075</u>	<u>153,362</u>	<u>14,336</u>	<u>2,617,773</u>	<u>1,511,956</u>

Dakota Electric Association
Statement of Electric Power Automatic Resource
Adjustment Charges (Credits) by Rate Class
For the Twelve Months Ended June 30, 2017

Exhibit C-II

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Rate 53
Residential & Farm Service Time-of-Day

(A)	(B)	(C)	(D)	(E)	(F)
		Rates			
		Base	Power	DSM Tracker	Tax Tracker
		Cost of	Cost	Account	Account
Month	kWh Sales	Power	Adjustment	Recovery	Recovery
Jul-16	17,254	0.1005	0.0030	0.0000	0.0000
Aug-16	21,192	0.1005	0.0030	0.0000	0.0000
Sep-16	15,971	0.0865	0.0030	0.0000	0.0000
Oct-16	16,049	0.0865	0.0030	0.0000	0.0000
Nov-16	16,193	0.0865	0.0030	0.0000	0.0000
Dec-16	22,764	0.0865	0.0030	0.0000	0.0000
Jan-17	27,251	0.0865	0.0030	0.0004	0.0002
Feb-17	23,248	0.0865	0.0030	0.0004	0.0002
Mar-17	20,790	0.0865	0.0030	0.0004	0.0002
Apr-17	17,728	0.0865	0.0030	0.0004	0.0002
May-17	14,450	0.0865	0.0030	0.0004	0.0002
Jun-17	16,699	0.1005	0.0030	0.0004	0.0002
	229,589				

(G)	(H)	(I)	(J)	(K)	(L)
	Electric	Power	DSM &	Total	
	Rate	Cost	Tax	Billed	
Month	Revenue	Adjustment	Recovery	Revenue	COP Billed
Jul-16	2,221	52	0	2,273	1,786
Aug-16	2,728	64	0	2,792	2,193
Sep-16	2,048	48	0	2,096	1,429
Oct-16	2,025	48	0	2,073	1,436
Nov-16	2,028	49	0	2,077	1,449
Dec-16	2,746	68	0	2,814	2,037
Jan-17	3,256	82	16	3,354	2,439
Feb-17	2,802	70	14	2,886	2,081
Mar-17	2,529	62	12	2,603	1,861
Apr-17	2,188	53	11	2,252	1,587
May-17	1,821	43	9	1,873	1,293
Jun-17	2,142	50	10	2,202	1,728
	28,534	689	72	29,295	21,319

Dakota Electric Association
Statement of Electric Power Automatic Resource
Adjustment Charges (Credits) by Rate Class
For the Twelve Months Ended June 30, 2017

Exhibit C-II

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Rate 54
General Service Optional Time-of-Day

(A)	(B)	(C)	(D)	(E)	(F)
		Rates			
		Base	Power	DSM Tracker	Tax Tracker
		Cost of	Cost	Account	Account
Month	kWh Sales	Power	Adjustment	Recovery	Recovery
Jul-16	111,456	0.1005	0.0030	0.0000	0.0000
Aug-16	107,424	0.1005	0.0030	0.0000	0.0000
Sep-16	54,240	0.0865	0.0030	0.0000	0.0000
Oct-16	36,816	0.0865	0.0030	0.0000	0.0000
Nov-16	45,408	0.0865	0.0030	0.0000	0.0000
Dec-16	52,320	0.0865	0.0030	0.0000	0.0000
Jan-17	101,520	0.0865	0.0030	0.0004	0.0000
Feb-17	101,616	0.0865	0.0030	0.0004	0.0000
Mar-17	67,920	0.0865	0.0030	0.0004	0.0000
Apr-17	34,032	0.0865	0.0030	0.0004	0.0000
May-17	64,800	0.0865	0.0030	0.0004	0.0000
Jun-17	141,552	0.1005	0.0030	0.0004	0.0000
	919,104				

(G)	(H)	(I)	(J)	(K)	(L)
	Electric	Power	DSM &	Total	
	Rate	Cost	Tax	Billed	
Month	Revenue	Adjustment	Recovery	Revenue	COP Billed
Jul-16	13,680	334	0	14,014	11,536
Aug-16	9,111	322	0	9,433	11,118
Sep-16	7,093	163	0	7,256	4,854
Oct-16	6,167	110	0	6,277	3,295
Nov-16	5,361	136	0	5,497	4,064
Dec-16	7,997	157	0	8,154	4,683
Jan-17	13,655	305	41	14,001	9,086
Feb-17	13,272	305	41	13,618	9,095
Mar-17	9,082	204	27	9,313	6,079
Apr-17	6,039	102	14	6,155	3,046
May-17	7,453	194	26	7,673	5,800
Jun-17	16,400	425	57	16,882	14,651
	115,310	2,757	206	118,273	87,307

Dakota Electric Association
Statement of Electric Power Automatic Resource
Adjustment Charges (Credits) by Rate Class
For the Twelve Months Ended June 30, 2017

Exhibit C-II

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Rate 70/71

Interruptible Service (Full and Partial Options)

(A)	(B)	(C)	(D)	(E)	(F)
		Rates			
		Base	Power	DSM Tracker	Tax Tracker
		Cost of	Cost	Account	Account
Month	kWh Sales	Power	Adjustment	Recovery	Recovery
Jul-16	39,287,345	0.0497	(0.0017)	0.0000	(0.0001)
Aug-16	39,896,439	0.0497	(0.0017)	0.0000	(0.0001)
Sep-16	36,469,813	0.0497	(0.0017)	0.0000	(0.0001)
Oct-16	33,131,019	0.0497	(0.0017)	0.0000	(0.0001)
Nov-16	31,274,130	0.0497	(0.0017)	0.0000	(0.0001)
Dec-16	32,802,952	0.0497	(0.0017)	0.0000	(0.0001)
Jan-17	32,439,454	0.0497	0.0004	0.0004	0.0001
Feb-17	29,371,166	0.0497	0.0004	0.0004	0.0001
Mar-17	32,497,966	0.0497	0.0004	0.0004	0.0001
Apr-17	31,532,127	0.0497	0.0004	0.0004	0.0001
May-17	34,858,106	0.0497	0.0004	0.0004	0.0001
Jun-17	37,748,810	0.0497	0.0004	0.0004	0.0001
	<u>411,309,327</u>				

(G)	(H)	(I)	(J)	(K)	(L)
	Electric	Power	DSM &	Total	
	Rate	Cost	Tax	Billed	
Month	Revenue	Adjustment	Recovery	Revenue	COP Billed
Jul-16	2,460,141	(66,788)	(3,929)	2,389,424	1,885,793
Aug-16	2,483,629	(67,824)	(3,990)	2,411,815	1,915,029
Sep-16	2,280,752	(61,999)	(3,647)	2,215,106	1,750,551
Oct-16	2,087,583	(56,323)	(3,313)	2,027,947	1,590,289
Nov-16	1,968,632	(53,166)	(3,127)	1,912,339	1,501,158
Dec-16	2,013,504	(55,765)	(3,280)	1,954,459	1,574,542
Jan-17	1,991,551	12,976	16,220	2,020,747	1,625,217
Feb-17	1,842,122	11,748	14,686	1,868,556	1,471,495
Mar-17	2,002,018	12,999	16,249	2,031,266	1,628,148
Apr-17	1,981,550	12,613	15,766	2,009,929	1,579,760
May-17	2,191,849	13,943	17,429	2,223,221	1,746,391
Jun-17	2,375,071	15,100	18,874	2,409,045	1,891,215
	<u>25,678,402</u>	<u>(282,486)</u>	<u>77,938</u>	<u>25,473,854</u>	<u>20,159,588</u>

Dakota Electric Association
Statement of Electric Power Automatic Resource
Adjustment Charges (Credits) by Rate Class
For the Twelve Months Ended June 30, 2017

Exhibit C-II

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Rate 81
Residential Cycled Air Metered

(A)	(B)	(C)	(D)	(E)	(F)
		Rates			
		Base	Power	DSM Tracker	Tax Tracker
		Cost of	Cost	Account	Account
Month	kWh Sales	Power	Adjustment	Recovery	Recovery
Jul-16	1,185,640	0.0000	0.0030	0.0000	0.0000
Aug-16	1,647,587	0.0000	0.0030	0.0000	0.0000
Sep-16	1,079,397	0.0000	0.0030	0.0000	0.0000
Oct-16	297,941	0.0000	0.0030	0.0000	0.0000
Nov-16	20,427	0.0000	0.0030	0.0000	0.0000
Dec-16	10	0.0000	0.0030	0.0000	0.0000
Jan-17	446	0.0000	0.0030	0.0004	0.0002
Feb-17	317	0.0000	0.0030	0.0004	0.0002
Mar-17	576	0.0000	0.0030	0.0004	0.0002
Apr-17	571	0.0000	0.0030	0.0004	0.0002
May-17	164,091	0.0000	0.0030	0.0004	0.0002
Jun-17	535,117	0.0000	0.0030	0.0004	0.0002
	<u>4,932,120</u>				

(G)	(H)	(I)	(J)	(K)	(L)
	Electric	Power	DSM &	Total	
	Rate	Cost	Tax	Billed	
Month	Revenue	Adjustment	Recovery	Revenue	COP Billed
Jul-16	(41,497)	3,557	0	(37,940)	3,557
Aug-16	(57,666)	4,943	0	(52,723)	4,943
Sep-16	(37,779)	3,238	0	(34,541)	3,238
Oct-16	(10,428)	894	0	(9,534)	894
Nov-16	(715)	61	0	(654)	61
Dec-16	0	0	0	0	0
Jan-17	(15)	1	0	(14)	1
Feb-17	(11)	1	0	(10)	1
Mar-17	(20)	2	0	(18)	2
Apr-17	(20)	2	0	(18)	2
May-17	(5,841)	492	98	(5,251)	492
Jun-17	(19,050)	1,605	321	(17,124)	1,605
	<u>(173,042)</u>	<u>14,796</u>	<u>419</u>	<u>(157,827)</u>	<u>14,796</u>

Exhibit D

Dakota Electric's
Annual Five-Year Projection of Fuel Costs

(Minn. Rule pt. 7825.2830)

CONTAINS TRADE SECRET INFORMATION

DAKOTA ELECTRIC ASSOCIATION

Five-Year Projection of Fuel Costs (Purchased Power)

Fiscal Years Ending June 30, 2018 through 2022

Dakota Electric's projection of purchased power cost for the next five years is based on information from Great River Energy covering the fiscal years ending in 2018 through 2022. Great River Energy is a generation and transmission cooperative, and supplies all of Dakota Electric's wholesale power. Additionally, this data was updated to reflect current sales forecasts.

The information received from Great River Energy reflects yearly increases in average power rates as follows:

TRADE SECRET DATA HAS BEEN EXCISED

**DAKOTA ELECTRIC ASSOCIATION
5-YEAR COST OF POWER FORECAST
JULY 1, 2017 THROUGH JUNE 30, 2022**

YEAR #	MONTH & YEAR	kWh PURCHASES	TOTAL POWER COSTS	COST PER kWh PURCHASED
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TRADE SECRET DATA HAS BEEN EXCISED

Exhibit E

Dakota Electric's
Notice of Report Availability

(Minn. Rule pt. 7825.2840)

Notice of Availability of Reports

To: All Intervenors in Dakota Electric Association's
General Rate Proceedings in Docket Nos.
E111/GR-09-175 and E111/GR-14-482

The Minnesota Public Utilities Commission requires Dakota Electric Association and other regulated public utilities to file various annual reports concerning utility operations with the Commission as specified in Minnesota Rules 7825.2800 through 7825.2830. The subject matter of the reports filed generally include the following:

- a) Procurement policies for selecting fuel and energy purchased,
- b) Charges made under automatic fuel adjustment clauses,
- c) Independent auditor's report with regard to fuel adjustments, and
- d) Five-year projection of fuel costs.

Minnesota Rule 7825.2840 requires Dakota Electric to provide this notice of availability of such reports to all intervenors in the previous two general rate cases.

Certificate of Service

It is hereby certified that the foregoing Notice of Availability of Reports, along with a copy of the report, was delivered to the Minnesota Department of Commerce and the Office of the Attorney General, the only intervenors in Dakota Electric's previous two general rate cases.

Dated this 31st day of August, 2017

/s/ Randy Olson

Randy Olson
Financial Analyst