



Staff Briefing Papers

Meeting Date	June 21, 2019	Agenda Item: <u>**3</u>
Company	Dakota Electric Association	
Docket No.	E-111/M-18-640	
	In the Matter of Dakota Electric Association's Petition for Approval of Service Features Related to Advanced Grid Infrastructure (AGi).	
Issue	Should the Commission approve Dakota Electric Association's Petition for approval of Service Features Related to Advanced Grid Infrastructure (AGi)?	
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Relevant Documents	Date
Dakota Electric Association, <i>Petition</i>	October 11, 2018
Department of Commerce, <i>Comments</i>	December 13, 2018
Dakota Electric Association, <i>Reply Comments</i>	January 9, 2019
Department of Commerce, <i>Response to Reply Comments</i>	March 13, 2019
Dakota Electric Association, <i>Response to Reply Comments</i>	April 19, 2019
Department of Commerce, <i>Supplemental Comments</i>	June 7, 2019

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The attached materials are work papers of the Commission Staff. They are intended for use by the Public Utilities Commission and are based upon information already in the record unless noted otherwise.

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I. Statement of the Issue

Should the Commission approve Dakota Electric Association’s Petition for approval of Service Features Related to Advanced Grid Infrastructure (AGi)?

II. Background

In its May 8, 2018 Order, the Commission approved recovery mechanisms for Dakota Electric Association’s (Dakota Electric or the Cooperative) implementation of their Advanced Grid Infrastructure (AGi).¹ AGi is the Cooperative’s new technologies that will enhance communication with and operation of their distribution system; components include: Advanced Metering Infrastructure (AMI), Meter Data Management (MDM), and a Load Management (LM) system.²

On October 11, 2018, Dakota Electric filed their Petition to modify service features related to the AGi technology and asked the Commission to approve two proposals:

- An Advanced Meter Opt-Out (AMO) Rider.
This monthly fee would be applicable to Dakota Electric service members who do not wish to have AMI installed at their premises
- Demand Side Management general rules and policy tariff language modification regarding the bypass of Load Control Receivers (LCR)

¹ [ORDER APPROVING RECOVERY OF GRID MODERNIZATION COSTS](#), Docket No. E-111/M-17-821 (May 8, 2017).

² [Petition](#) by Dakota Electric at 3.

In their Petition, Dakota Electric also provided advance notice that they will be modifying their reconnection practices³ and fee because AMI includes internal switching capability that can remotely connect and disconnect a meter. The Cooperative is waiting to propose a new reconnection fee after sufficient cost information has been gathered.

On December 13, 2018, the Department of Commerce, Division of Energy Resources (DOC or the Department) provided comments that recommended approval of the LCR tariff language and requested additional information regarding the AMO Rider.

On January 9, 2019, Dakota Electric filed reply comments clarifying the AMO Rider and providing data requested by the Department.

On March 3, 2019, the Department filed response comments to the data and explanation provided by Dakota Electric and gave a recommendation.

On April 19, 2019, Dakota Electric responded to the Department's recommendation with a revised proposal.

On June 7, 2019, the Department late-filed "Supplemental Comments" supporting Dakota Electric's revised proposal and requesting annual compliance filings.

III. Petition

Three items were proposed by Dakota Electric as they begin the implementation process of their AGI technology.

Advanced Meter Opt-Out Rider

The first item is in response to the anticipation that some customers may wish to refuse the AMI technology at their premises. Therefore, the Cooperative is requesting an advanced meter opt-out rider that would "... recover the costs of manually reading a limited number of meters where the standard meter reading system has been fully automated."⁴

The AMO Rider includes the following language and has been designated as Section V, Sheets 60.0 and 60.1, Revision Original:⁵

Applicability – The AMO Rider applies to residential consumers who do not want to have an advanced, wireless, communicating meter installed at their residence.

³ Of note, the AMI roll out does not impact Dakota Electric's compliance with all rules associated with disconnection practices; those remain in full force.

⁴ [Petition](#) by Dakota Electric at 3.

⁵ *Id.* at 4.

Rate – The AMO Rider applies a recurring monthly charge. This charge is in addition to charges for electric service under the applicable metered retail service.

Terms and Conditions – The Terms and Conditions section includes descriptions for selecting or defaulting to the AMO Rider, metering equipment, circumstances where the Cooperative has the right to refuse the opt-out option, impact on load management program participation, estimated meter reading, and billing.

Using 2017 actual data, the Cooperative performed a cost analysis⁶ for meter reading and concluded that a monthly charge of \$12 would cover their costs. Below is the narrative form of the calculations performed.⁷

Meter-reader labor and benefit costs per opt-out meter read
 + Vehicle cost at miles per read
 - Net monthly lower cost of a non-communicating meter
 + Handheld device and software for manual meter reading
 - Monthly meter reading costs included in present rates
 = Net Monthly Charge for AMO Rider

AMI and Bypass LCR Identification

The second item Dakota Electric addressed is how AMI enables identification of bypassed/disconnected load control receiver(s) (LCR), a switch device found on appliances that help control load and are located at Load Management participating residential, commercial, and agricultural customer premises. LCRs are found on air conditioners, water heaters, and electric heaters, among other items. The LCR allows Dakota Electric to remotely control an item by sending a signal to the LCR, thereby managing the appliance's load. However, LCRs can be bypassed or disconnected, intentionally or unintentionally when servicing or replacing an end-use device, making the device no longer controllable by remote means.

With new AMI technology, Dakota Electric will know when an LCR is not responding to a signal. In such instances, the Cooperative plans to connect with the member to restore connection to the LCR. Since members may not be aware of actions that bypass or disconnect the LCR, the Cooperative has proposed to modify language in their demand-

⁶ The cost analysis consists of estimated costs related to labor, vehicle, hardware, and software reading associated with manual readings minus the net cost of the difference between AMI and conventional meters and the monthly cost of meter reading that are included in the Cooperative's base rates.

⁷ [Petition](#) by Dakota Electric at 4.

side management (DSM) program general rules and policies (Rate Book in Section VI, Sheet 16):⁸

If any part of the controlled system is tampered with, the member is ~~automatically subject to being~~ removed from the controlled rate for at least one (1) year.

This, along with other minor language changes, will allow the Cooperative to take corrective action without immediately removing the member from the controlled rate. Dakota Electric has indicated they plan to inform and educate area contractors on the importance of LCRs on end-use devices.⁹

AMI and Reconnection Fee

Finally, for the third item, the Cooperative addressed AMI internal meter switch capabilities and service call reimbursements. Dakota Electric will have internal meter switches on all 120/240 and 120/208-volt single phase service meters, which means the Cooperative will have the ability to disconnect and reconnect electric service through remote electronic switching without the need to physically remove the meter from the meter socket.¹⁰

In addition to overall efficiency, this will also enhance employee safety as it reduces physical risk. “While the remote meter switching capability will not eliminate the need for a personal visit at the time of disconnection, it will likely eliminate the need for a personal visit to reconnect service.”¹¹ The company recognizes the direct impact this automation will have on both the costs associated with reconnection and their currently authorized reconnection fee. However, as Dakota Electric is still in the AGI implementation phase, they wish to collect sufficient detail on future AMI reconnections before they propose a revised process and reconnection fee. “Dakota Electric has committed to filing a new reconnection fee where automated metering is in place prior to imposing a reconnection fee in such circumstances.”¹² At this time, there is no action needed by the Commission.

IV. Party Comments

A. Department of Commerce, Division of Energy Resources

The Department outlined concerns with the AMO Rider fee and supported the last two items of the Petition – 1) modification to the DSM program tariff regarding bypassed

⁸ [Petition](#) by Dakota Electric at 5.

⁹ *Id.*

¹⁰ [Petition](#) by Dakota Electric at 5.

¹¹ *Id.* at 6.

¹² *Id.*

LCRs; and 2) waiting to gather more information about the remote switching capability's effect on the authorized reconnection fee.

Advanced Meter Opt-Out Rider

The Department provided background on Dakota Electric's most recent rate case (E111/GR-14-482) in addition to the approved costs for grid infrastructure updates (E111/M-17-821) as they relate to the AMO Rider. In June of 2015, the Commission approved "costs relating to meters, meter expenses, and meter-reading expenses" in Dakota Electric's revenue requirement and in May of 2018 Dakota's AGi Rider was approved pursuant to [Minn. Statute 216B.1636](#). The AGi Rider was permitted to recover advanced infrastructure investments, including AMI and Meter Data Management (MDM) projects.¹³ The AGi Rider "... included costs that were incremental to those represented in base rates; specifically, capitalized costs associated with the AGi project, reduced by operational savings such as reduced meter reading costs ... the current approved AGi Rider tariff reflects \$0.00 per-meter monthly charge, since Dakota has not yet submitted a petition to establish the monthly fee."¹⁴

The Department concluded that "[o]pt-out provisions are more appropriately included within the AGi Rider, along with appropriate corresponding language adjustments to the applicability section, to ensure clarity. Should the Commission conclude that it is important to preserve a customer's preference to not have AMI installed, the Department suggests that the AGi Rider be amended to add the opt-out provisions rather than creating a separate Advanced Meter Opt-Out Rider."¹⁵

Secondly, the Department analysis found the proposed calculation(s) for the monthly AMO fee inaccurate. "Using actual costs rather than the relevant costs included in base rates to calculate an opt-out fee does not accurately capture incremental (to base rates) costs."¹⁶ The Department suggested that instead of using actual meter reading costs, that total operations cost savings should be withdrawn. The operational savings will be captured in the AGi Rider.¹⁷

¹³ [Comments](#), Department of Commerce, Division of Energy Resources at 2 (December 13, 2018).

¹⁴ *Id.* at 2-3 (December 13, 2018).

¹⁵ *Id.* at 4 (December 13, 2018).

¹⁶ *Id.*

¹⁷ *Id.*

"In the AGi Rider proceeding, the estimated operational savings estimated by DEA was \$1,310,899: \$898,954 for Meter Readers; \$327,879 for Member Support; and \$84,066 for Operations Overtime. The actual value will be provided when Dakota Electric sets monthly charges for the AGi Rider. Once the AGi Rider is established, AGi customers will no longer be paying the operations costs associated with meter reading: while AGi customers pay operations costs through base rates, the costs are discounted back through the AGi Rider."

Lastly, the Department summarized the relationship of the AGi Rider and opt-out customers and shared a concern that members who opt-out may pay twice for operating costs associated with meter reading.

AGi customers pay operations costs through base rates, [and] the costs are discounted back through the AGi Rider ... [u]nless these costs can be fully accounted for in the calculation of the opt-out fee, opt-out customers run the risk of paying some operations charges once through base rates and again through the opt-out fee.¹⁸

The solution provided by the Department was to remove the meter reading costs entirely from the AMO Rider Fee calculation with the remaining costs would represent the incremental costs of serving opt-out customers.¹⁹

Also, at the request of the Department, Dakota Electric clarified that the AGi Rider would not be applied to opt-out customers and the Cooperative agreed to include wording to reflect this in their Rate Clause for the proposed AMO Rider:

Opt-Out Members will not be subject to charges under the Advanced Grid Infrastructure (AGi) Rider.²⁰

AMI and Bypass LCR Identification

As noted earlier, the Department agreed with and recommend approval of the language changes regarding LCRs in Section VI, Sheet 16 of Dakota Electric's rate book and stated this will allow "more flexibility for Dakota Electric, is more fair to member-customers, and does not adversely impact either party."²¹

AMI and Reconnection Fee

The Department appreciated the advance notice provided by Dakota Electric on the need to update their reconnection fee once the Cooperative possesses enough data and known costs under the AMI paradigm.²² The Department referred Dakota Electric to a discussion on remote reconnection in another docket.²³

¹⁸ [Comments](#), Department of Commerce, Division of Energy Resources at 4 (December 13, 2018)

¹⁹ *Id.*

²⁰ [Reply Comments](#), Dakota Electric at 2 (January 9, 2019).

²¹ [Comments](#), Department of Commerce, Division of Energy Resources at 5 (December 13, 2018).

²² *Id.* at 6.

²³ Docket No. E015/M-18-250, Minnesota Power's 2018 Safety, Reliability, and Service Quality Standards Report.

B. Dakota Electric Association

In their reply comments, Dakota Electric clarified the reason for the two riders – AGi and AMO – as there seemed to be confusion on the use and timing of both:²⁴

...provide better clarity to members, appropriately describe the basis and conditions for these two distinct charges, and *accommodate different expected durations of the charges.*

As approved and proposed, the AGi Rider and the AMO Rider respectively identify distinct charges that will appear on member bills. The suggested combination does not add clarity. Each rider also clearly describes the conditions and basis for each charge. *Finally, and most importantly, the expected duration of these two riders is not the same. **The AGi Rider is intended to allow the Cooperative to recover net costs of installing AGi facilities between general rate cases.*** At the present time, Dakota Electric anticipates filing a general rate case in 2019 and has a recent history of filing general rate cases about every five years. The AGi investment is planned to happen in the time frame between a 2019 rate case and a possible future filing five years later. After that subsequent rate case, it is expected that the AGi Rider and associated fees would not be needed. ***By comparison, the AMO Rider and proposed opt-out fee would apply well into the future for any members that choose to not have an AMI meter installed at their premise.*** So, even if the riders were combined today, they would then need to be reformatted in the future as we transition out of the fees associated with the AGi Rider (staff emphasis added)

Regarding the calculation of the monthly opt-out fee, the Cooperative proposed another approach that did not include 2017 actual meter reading costs as the Department did not agree with that calculation:²⁵

Our original filing based on 2017 meter reading costs calculated an overall opt-out cost of \$12.05 that we rounded down to a proposed opt-out fee of \$12.00 per month. In the alternate analysis using 2013 test year data, the overall opt-out cost is calculated at \$12.07, which we would still round down to a proposed opt-out fee of \$12.00 per month.

....

The incremental cost analysis for the opt-out fee estimates the labor and vehicle costs to manually read meters where a member refuses the installation of an AMI meter along with the hardware and software costs required for manually reading meters. To these costs, credits are applied for the lower cost of a conventional meter compared to an advanced AMI

²⁴ [Reply Comments](#), Dakota Electric Association at 4 (January 9, 2019).

²⁵ [Reply Comments](#), Dakota Electric Association at 4-5 and attached IR 1-2 (January 9, 2019).

meter and for the subtraction of current meter reading costs being recovered in base rates. The result is the additional costs the Cooperative will incur to read meters for members who refuse to have an AMI meter installed at their premise. The subtraction of current meter reading costs is the only operational cost savings that should apply to the opt-out fee calculation. Any other operational savings from AGi is only achieved because of members that participate in AGi and pay for AGi.

C. Response Comments

1. Tariff Language

The Department recommended that the AGi Rider be modified to include the following language so that members fully understand their options, especially if the riders remain as separate tariffs:²⁶

Opt-Out Members will not be subject to charges under the Advanced Grid Infrastructure (AGi) Rider. See Section V, Sheets 60.0 – 60.1 for the Advanced Meter Opt-Out (AMO) Rider.

And for the AMO Rider:

Opt-Out Members will not be subject to charges under the Advanced Grid Infrastructure (AGi) Rider. See Section V, Sheet 59 for the Advanced Grid Infrastructure Rider.

In Response Comments, Dakota Electric concurred with these language additions to the AGi Rider and proposed AMO Rider.²⁷

2. Inputs to the AMO Opt-out Fee

The Department reviewed Dakota Electric's revised AMO opt-out fee calculation and had issue with the Meter Reading Labor and Overtime, Meter Reading Vehicle Mileage, and Reduction of Rate Case Meter Reading Costs. (Please see the highlighted elements in the table below.) Below is a discussion of the Department's review which suggested reducing Dakota Electric's proposed fee from \$12.00 to \$6.63 per month for AMO opt-out customers, and Dakota Electric's response which adopted some, but not all, of the Department's proposal with modifications – resulting in Dakota Electric proposing \$11.45 for the monthly fee.

²⁶ [Response Comments](#), Department of Commerce, Division of Energy Resources at 4 (March 13, 2019).

²⁷ [Response Comments](#), Dakota Electric Association at 3 (April 19, 2019).

Table 1. Components of the AMO Rider calculation fee, as proposed by Dakota Electric⁶

Component	Cost Per Meter Read
Meter Reading Labor and Overtime	\$7.77
Meter Reading Vehicle Mileage	\$4.09
Reduction in Meter Cost	\$(0.37)
Hardware and Software Costs for Manual Meter Reads	\$1.22
Reduction of Rate Case Meter Reading Costs	\$(0.66)
Total Cost Per Meter Read	\$12.05
Proposed Monthly Fee Per Meter	\$12.00

i. Meter Reading Labor Overhead Rate

The Department did not agree with the use of the Cooperative's total payroll's 61.30% overhead rate in the meter reading labor component (which is part of the \$7.77 above). While this overhead rate was approved in the last rate case, the Department recommended using the overhead for the Meter Reading (METRD) program area since it is more reflective of actual project expenses, while the Cooperative-wide, total payroll overhead is not.²⁸ Using the METRD 33.28% overhead rate, the Meter Reading Labor and Overtime costs per meter would instead be \$6.42, a difference of \$1.35 or 17% less.

Dakota Electric had no objection with using the lower overhead rate from the METRD project, but noted that it was calculated incorrectly.²⁹ "When using the 2013 test year payroll overhead of \$186,126.67 and dividing by the sum of salaries (\$5,896.86) and wages (\$366,187.63), the resulting overhead rate is 50%."³⁰ Applying this overhead rate to the Department's calculation results in a monthly labor cost per opt-out meter read of \$7.22 (\$32.10 hourly rate x 0.15 hours x 1.5 overhead = \$7.22).³¹ The Department agreed with Dakota Electric's clarification, and supports the proposal to apply an overhead rate of 50%.³²

ii. Meter Reading Vehicle Mileage Cost

The second item reviewed by the Department was the proposed vehicle mileage cost of \$4.09 in the AMO fee calculation. The Department believes that mileage costs related to meter reading are already included in opt-out customers' base rates and should not be

²⁸ [Response Comments](#), Department of Commerce, Division of Energy Resources at 8 (March 13, 2019).

²⁹ The Department calculated the overhead rate by dividing the payroll overhead dollars by the sum of salary, wages, overtime, and payroll overhead dollars. Overhead dollars should not be included in the denominator of this calculation. In addition, payroll overhead of only 7.65% is applied to overtime costs.

³⁰ [Response Comments](#), Dakota Electric Association at 4 (April 19, 2019).

³¹ *Id.* Please also see Page 7 of the Department's Response Comments.

³² [Supplemental Comments](#), Department of Commerce at 5 (June 7, 2019).

included in the calculation.³³ While it is believed that mileage costs per meter will increase as the number of manual meters decrease, the Department did not support its inclusion.

The Cooperative did not have test year mileage “readily available”, so it reviewed 2017 data, which is fairly representative of 2013 data given the similar routes and members.³⁴ For 2017, the meter reading staff logged over 177,000 miles from 10 vehicles, compared to the 36,706 miles estimate the Department was aware of when it examined this cost. Dakota’s 2017 data, already triple the Department’s estimate, does not include the unreported mileage from several meter reading contractors that Dakota Electric uses. As discussed below, the 2013 data did not include the full fleet that meter reading staff use. Dakota Electric continues to propose that the \$4.09 mileage fee be included in the AMO opt-out fee; whereas, the Department proposes it be excluded.

However, in late-filed Supplemental Comments, the Department states³⁵:

Since the Cooperative has committed to reviewing its AMO program processes and costs once actual program data has been collected, the Department agrees that, absent any other data, the \$4.09 charge is appropriate as a provisional measure.

In terms of reviewing the AMO program processes and costs³⁶:

The Department further recommends that the Cooperative make annual compliance filings in the instant docket containing the following information:

- a. A review of the processes involved for reading opt-out meters to be sure they are reasonable and efficient, and
- b. A re-evaluation of the costs for opt-out meter reading after reasonable actual data is available and a proposal to adjust the fee as necessary.

iii. Reduction of Rate Case Meter Reading Costs

The Department recommended that the Commission require Dakota Electric to reduce the opt-out fee by increasing the reduction of rate case meter reading costs by removing the 2013 test year meter reading costs, rather than the 2017 values Dakota used. The Department suggests this change would better capture costs incremental to those represented in base rates.³⁷

³³ [Response Comments](#), Department of Commerce, Division of Energy Resources at 10-11 (March 13, 2019).

³⁴ [Response Comments](#), Dakota Electric Association at 4-5 (April 19, 2019).

³⁵ [Supplemental Comments](#), Department of Commerce at 4 (June 7, 2019).

³⁶ *Id.* at 6.

³⁷ [Response Comments](#), Department of Commerce, Division of Energy Resources at 11 (March 13, 2019).

The Cooperative noted they have 10 vehicles – 3 pickups and 7 vans – used by meter reading employees. This was not correctly reflected in the AMO opt-out fee analysis. Instead, the 2013 project cost data was based on only three pickups.³⁸ Dakota Electric recalculated the difference (3 vehicles instead of 10) and the cost per meter read increases to a credit of \$0.68 per meter.³⁹ The Cooperative would like this to be reflected in the AMO opt-out fee.⁴⁰ In Supplemental Comments, the Department supports the fee amount, including this recalculation.⁴¹

Table 6. Dakota Electric's and Department's Recommended AMO Fees by Cost Component

	DEA Proposed	Department Recommended
Labor and Overheads	\$7.77	\$6.42
Mileage	\$4.09	0
Current Meter less Advanced Meter Costs	\$(0.37)	\$(0.37)
Hardware/Software Maintenance	\$1.22	\$1.22
Reduction of Rate Case Meter Reading Costs	\$(0.66)	\$(0.64)
Total	\$12.05	\$6.63
Proposed Fee	\$12.00	\$6.63

V. Staff Analysis

The Department was supportive of the proposed changes to the tariff language regarding load control receiver(s) and will wait for Dakota Electric to file a petition to update their reconnection fee that takes into account their AMI rollout. Further, the Department and Dakota Electric agreed on additional language in both the AMO and AGi Riders. As such, the Department and Dakota Electric agree on **Decision Options A-C**.

With late-filed Supplemental Comments, the Department resolved the outstanding issue of the amount for the AMO opt-out fee (**Decision Option D**). Both the Department and Dakota Electric agree with setting the proposed monthly fee at \$11.45 (Dakota Electric Corrected in the chart below).

³⁸ [Response Comments](#), Dakota Electric Association at 5 (April 19, 2019).

³⁹ *Id.*

⁴⁰ *Id.* at 3.

⁴¹ [Supplemental Comments](#), Department of Commerce at 5 (June 7, 2019).

Component	Dakota Electric Proposed	Department Recommended	Department - Staff Changed overhead rate of 50%	Dakota Electric Corrected
Meter Reading Labor and Overtime	\$7.77	\$6.42	\$7.22	\$7.22
Meter Reading Vehicle Mileage	\$4.09	\$0.00	\$0.00	\$4.09
Current Meter Less Advanced Meter Costs	(\$0.37)	(\$0.37)	(\$0.37)	(\$0.37)
Hardware and Software Costs for Manual Meter Reads	\$1.22	\$1.22	\$1.22	\$1.22
Reduction of Rate Case Meter Reading Costs	(\$0.66)	(\$0.64)	(\$0.64)	(\$0.68)
Total Cost Per Meter Read	\$12.05	\$6.63	\$7.43	\$11.48
Proposed Monthly Fee	\$12.00	\$6.63		\$11.45

The significant difference in the proposed fees was the treatment of Meter Reading Vehicle Mileage Costs. Dakota Electric adjusted the 2013 test year data that was used in the Department's fee calculation to 2017 actual data to more closely align with in-the-field, representative data. The Department continues to have concerns with the inclusion of \$4.09 in mileage costs in the AMO Rider calculation, but will support it as a provisional measure because Dakota Electric has committed to review the AMO program processes and costs once actual program data has been collected. Staff agrees that the \$4.09 Vehicle Mileage Costs should be included to the extent Dakota Electric would incur these additional costs not included in base rates and, therefore, not already paid for by opt-out customers. Staff agrees that vehicle miles traveled for opt-out customers will increase as AMI implementation expands. However, going forward, staff questions whether the entire fleet of 10 vehicles will be necessary for meter reading as fewer meters will be read. In this instance, staff recognizes the amount for Meter Reading Vehicle Mileage Costs may change as more actual data is available, and that change would be appropriate.

The Department's proposal for Dakota Electric to make annual compliance filings in the instant docket to review and re-evaluate the AMO processes and costs came in late-filed Supplemental Comments, so the Cooperative has not had a chance to respond. Staff modified the Department's recommendation to include a filing date. Staff supports review and re-evaluation; however, this may be appropriate to do less frequently than annually or in another docket (e.g. rate case).

Finally, staff appreciates the correction the Cooperative made to the Reduction of Rate Case Meter Reading Costs from a credit of \$0.66 to \$0.68 per meter. The Department's recommendation was to account for 2013 test year meter reading costs to be more representative of base rates. Dakota Electric therefore removed the seven vans in addition to the three pickup trucks for meter reading that were in the 2013 METRD test year expenses. In Supplemental Comments, the Department had no specific objection to the calculation and approved of the proposed AMO fee.

VI. Decision Options

- A. Approve Dakota Electric Association's proposal to amend general rules and policies tariff language for demand-side management programs on Section VI, Sheet 16.
(*Dakota Electric, Department*)

- B. Approve incorporating the following in the AMO Rider (Section V, Sheets 60.0-60.1):
(*Dakota Electric, Department*)

Opt-Out Members will not be subject to charges under the Advanced Grid Infrastructure (AGi) Rider. See Section V, Sheet 59 for the Advanced Grid Infrastructure Rider.

- C. Approve incorporating the following in the AGi Rider (Section V, Sheet 59) (*Dakota Electric, Department*)

Opt-Out Members will not be subject to charges under the Advanced Grid Infrastructure (AGi) Rider. See Section V, Sheets 60.0 – 60.1 for the Advanced Meter Opt-Out (AMO) Rider.

- D. Approve an advanced meter opt-out fee of \$11.45 per month in the AMO Rider (Section V, Sheets 60.0-60.1.) (*Dakota Electric*)

- E. Require Dakota Electric Association to file annual compliance filings by [INSERT DATE] in the instant docket containing: (*Department*)
- A review of the processes involved for reading opt-out meters to be sure they are reasonable and efficient, and
 - A re-evaluation of the costs for opt-out meter reading after reasonable actual data is available and a proposal to adjust the fee as necessary.

- F. Make some other finding.