




Your 'Touchstone Energy' Partner 

A locally owned, nonprofit electric utility

An Affirmative Action/Equal Opportunity Employer

August 28, 2018

- 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
2018 Annual Reports Containing Power Cost Information and Data
(Minnesota Rules 7825.2800 - 7825.2840)
Docket No. G,E999/AA 18-373
PUBLIC DOCUMENT**

Dear Mr. Wolf:

Enclosed is Dakota Electric Association's 2018 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 2017 through June 2018
(Minn. Rule pt. 7825.2810),
- Exhibit C - Annual Agreed Upon Procedures Report on Dakota Electric's Accounting for Automatic Adjustments during the period July 2017 through June 2018
(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 28, 2018
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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 18-373

Dated this 28th day of August, 2018

/s/ Randy Olson

Randy Olson



Your Touchstone EnergySM Partner



2018 Annual Reports

Submitted in Compliance with

Minnesota Rules

7825.2800 - 7825.2840

Public Document

Trade Secret Data has been Excised

August 28, 2018

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 106,000 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 | 98,749 | 92.4% |
| Irrigation | 390 | 0.4% |
| Small Comm. | 4,753 | 4.4% |
| Large Comm. | 2,943 | 2.8% |
| Total | 106,835 | 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 410 MW in July 2017.

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 2017, Dakota Electric accounted for approximately 15.8 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

New Construction Energy Efficient 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 125 to 135 MW of diversified demand through capacity conservation and targeted rates. For a point of reference, the summer controlled peak demand in 2018 was 369 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 is a not-for profit electric cooperative that serves approximately 695,000 members, or 1.7 million people, through the 28 electric cooperatives that collectively own Great River Energy. The cooperative crafts and maintains a portfolio of power generation and transmission resources in order to deliver reliable and affordable wholesale electricity to its member-owner cooperatives through participation in the general regional energy market.

Resources

Generation Assets

Great River Energy's (GRE) 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 a high degree of 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 and 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
- Two small wind projects (12 MW total) in Southern Minnesota – Chandler, 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, Minnesota. 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 manage GRE's generation and load position 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 currently in the process of deconstructing Stanton Station, with the intent to restore the site to a preindustrial state with native vegetation. All structures, except for the existing switchyard, will be removed to a point at least two feet below final site grade. All flat pads will be removed, crushed and used as basement backfill. All asphalt and graveled areas will be removed and used as backfill for the basements. These areas will then be graded to match the surrounding

area. It is the intent of GRE to donate the existing boat ramp to the City of Stanton. This donation is planned during the spring or summer of 2019.

In July 2018, the GRE board of directors approved pursuing the sale of the Elk River Resource Recovery Project, which is located approximately 30 miles northwest of Minneapolis. If a sales agreement cannot be reached, the facilities will be closed by March 15, 2019. The Elk River Resource Recovery Project consists of the Elk River Resource Processing Plant, which processes municipal solid waste into fuel; the Elk River Energy Recovery Station; and the Becker Ash Landfill.

GRE's most recent Integrated Resource Plan (IRP) was filed with the Minnesota Public Utilities Commission (MPUC) on April 28, 2017. Comments in the proceeding were submitted by GRE, the Department of Commerce (DOC), and the Clean Energy Organizations (CEOs). GRE plans to meet future load growth with continued energy efficiency, market purchases, and an increased renewable energy goal of 50 percent renewables by 2030. 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 4,700 miles of transmission line in Minnesota and North Dakota and 101 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 168,324 MWh of electricity and reduced summer peak demand by 171 MW in 2017. GRE's members provided approximately \$10.5 million in energy efficiency and demand response rebates to member-consumers in 2017 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

DryFinishingTM, 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 four 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 biorefinery 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 Dakota Spirit ethanol 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, located 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 certified facilities to include: three service centers, a maintenance facility, and an office building in Bismarck, North Dakota.

Renewable Energy

GRE's foundation of existing renewable energy resources and banking of renewable energy credits have enabled GRE to achieve Minnesota's renewable energy standard of 25 percent renewables in 2017, eight years ahead of the state requirements. In June of 2018, GRE set a corporate goal to achieve 50 percent renewable energy by 2030. The addition of 700 MW of wind generation by 2030 is expected to accomplish the goal. 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 2017, over 5,300 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. At the close of 2017, over 50 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 2017 through June 2018

(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 | \$150,144,028 |
| Power Cost -- Billed to Consumers | \$147,843,374 |
| Over- or (Under-) Recovery of Power Cost | \$ (2,300,654) ¹ |
| Percent Over- or (Under-) Recovered | (1.53%) 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 $(2,300,654) \div 150,144,028 = (1.53\%)$

Exhibit C

Annual Agreed Upon Procedures Report
on
Dakota Electric's
Accounting for Automatic Adjustments
during the period
July 2017 through June 2018

(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, 2018, 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, 2017 through June 30, 2018. 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 to customers for purchased power for the period July 1, 2017 through June 30, 2018, 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, 2017 through June 30, 2018. 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.

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200 E. 10th St., Ste. 500 | P.O. Box 5125 | Sioux Falls, SD 57117-5125 | T 605.339.1999 | F 605.339.1306 | EOE

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, 2018. 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 27, 2018

DAKOTA ELECTRIC ASSOCIATION
RULE 7825.2810
ANNUAL REPORT - AUTOMATIC RESOURCE ADJUSTMENT CHARGES (CREDITS)
FOR THE TWELVE MONTHS ENDED JUNE 30, 2018

- 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 **\$149,977,358**. In addition, **\$166,670** 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 **\$150,144,028** 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 **\$147,843,374** 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, 2018

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 (\$819,478) from July 1, 2017 to June 30, 2018 for conservation cost recovery and (\$148,801) 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, 2018

Exhibit C-II

Pg 1 of 19

All Rates

| (A) | (B) | (C) | (D) | (E) | (F) |
|--------|----------------------|-----|---|--------------------|-------------------------------|
| Month | kWh Sales | | Cost of Power and Recovery Mechanism | | Over-billed (Under-billed) |
| | | | Billed | Incurred | |
| Jul-17 | 172,165,881 | | 15,120,285 | 19,175,714 | (4,055,429) |
| Aug-17 | 184,500,023 | | 16,504,451 | 15,865,237 | 639,214 |
| Sep-17 | 161,393,241 | | 12,707,606 | 12,271,724 | 435,882 |
| Oct-17 | 147,395,016 | | 11,638,569 | 8,732,984 | 2,905,585 |
| Nov-17 | 138,755,482 | | 10,973,323 | 9,951,550 | 1,021,773 |
| Dec-17 | 142,587,312 | | 11,238,999 | 11,693,814 | (454,815) |
| Jan-18 | 162,351,533 | | 12,725,131 | 12,987,306 | (262,175) |
| Feb-18 | 145,730,260 | | 11,326,196 | 11,352,817 | (26,621) |
| Mar-18 | 131,482,709 | | 10,080,955 | 9,595,552 | 485,403 |
| Apr-18 | 138,785,897 | | 10,709,170 | 9,030,820 | 1,678,350 |
| May-18 | 136,131,990 | | 10,302,787 | 11,973,546 | (1,670,759) |
| Jun-18 | 167,031,258 | | 14,623,661 | 17,512,964 | (2,889,303) |
| | <u>1,828,310,602</u> | | <u>147,951,134</u> | <u>150,144,028</u> | <u>(2,192,894)</u> |

-1.46%

| (G) | (H) | (I) | (J) | (K) |
|--------|-----------------------------|-----------------------------|--------------------------|----------------------------|
| Month | Electric Rate Revenue | Power Cost Adjustment | DSM & Tax Recovery | Total Billed Revenue |
| Jul-17 | 19,162,135 | 414,276 | 91,793 | 19,668,204 |
| Aug-17 | 20,590,179 | 460,270 | 98,375 | 21,148,824 |
| Sep-17 | 17,701,560 | 393,745 | 85,543 | 18,180,848 |
| Oct-17 | 15,831,080 | 361,660 | 78,032 | 16,270,772 |
| Nov-17 | 14,683,876 | 344,330 | 73,056 | 15,101,262 |
| Dec-17 | 15,149,076 | 355,456 | 75,804 | 15,580,336 |
| Jan-18 | 17,024,380 | 182,009 | 85,598 | 17,291,987 |
| Feb-18 | 15,460,934 | 164,637 | 76,902 | 15,702,473 |
| Mar-18 | 13,760,882 | 153,174 | 69,601 | 13,983,657 |
| Apr-18 | 14,638,643 | 159,028 | 73,337 | 14,871,008 |
| May-18 | 14,392,970 | 161,415 | 71,991 | 14,626,376 |
| Jun-18 | 18,193,664 | 185,245 | 88,247 | 18,467,156 |
| | <u>196,589,379</u> | <u>3,335,245</u> | <u>968,279</u> | <u>200,892,903</u> |

Dakota Electric Association
Statement of Electric Power Automatic Resource
Adjustment Charges (Credits) by Rate Class
For the Twelve Months Ended June 30, 2018

Exhibit C-II

Pg 2 of 19

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, 2018 | 1,828,310,602 | \$ | 200,892,903 | \$ | 149,977,358 |
| Other Electric Revenue - Fees & Charges | | | 2,699,071 | | |
| Wellspring | [Included above] | | 37,492 | | 37,357 |
| Standby Reservation Fee | | | 66,744 | | 27,081 |
| Rate 55 - Residential Co Generation | | | (19,614) | | |
| Accruals and Adjustments | | | | | |
| Reverse DSM & Tax Recovery | | | (968,279) | | |
| Accrued PCA | | | 1,337,189 | | |
| Accrued Balance June 30, 2017 | (44,485,773) | | (5,749,833) | | |
| Accrued Balance June 30, 2018 | 50,070,967 | | 6,100,809 | | |
| Other Adjustments | | | (44,750) | | 17 |
| Total Electric kWh, Revenue & Power Cost for the Twelve Months Ended June 30, 2018 | 1,833,895,796 | \$ | 204,351,733 | \$ | 150,041,813 |

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, 2018

Exhibit C-II

Pg 3 of 19

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-17 | 80,034,782 | 0.1005 | 0.0030 | 0.0004 | 0.0002 |
| Aug-17 | 89,413,226 | 0.1005 | 0.0030 | 0.0004 | 0.0002 |
| Sep-17 | 75,102,084 | 0.0865 | 0.0030 | 0.0004 | 0.0002 |
| Oct-17 | 68,914,426 | 0.0865 | 0.0030 | 0.0004 | 0.0002 |
| Nov-17 | 61,691,450 | 0.0865 | 0.0030 | 0.0004 | 0.0002 |
| Dec-17 | 66,462,379 | 0.0865 | 0.0030 | 0.0004 | 0.0002 |
| Jan-18 | 78,316,957 | 0.0865 | 0.0007 | 0.0005 | 0.0000 |
| Feb-18 | 69,354,332 | 0.0865 | 0.0007 | 0.0005 | 0.0000 |
| Mar-18 | 56,649,023 | 0.0865 | 0.0007 | 0.0005 | 0.0000 |
| Apr-18 | 63,041,013 | 0.0865 | 0.0007 | 0.0005 | 0.0000 |
| May-18 | 56,038,329 | 0.0865 | 0.0007 | 0.0005 | 0.0000 |
| Jun-18 | 77,105,146 | 0.1005 | 0.0007 | 0.0005 | 0.0000 |
| | <u>842,123,147</u> | | | | |

| (G) | (H) | (I) | (J) | (K) | (L) |
|--------|--------------------|------------------|----------------|--------------------|-------------------|
| | Electric | Power | DSM & | Total | |
| | Rate | Cost | Tax | Billed | |
| Month | Revenue | Adjustment | Recovery | Revenue | COP Billed |
| Jul-17 | 10,957,296 | 240,104 | 48,021 | 11,245,421 | 8,283,600 |
| Aug-17 | 12,212,537 | 268,240 | 53,648 | 12,534,425 | 9,254,269 |
| Sep-17 | 10,239,842 | 225,306 | 45,061 | 10,510,209 | 6,721,637 |
| Oct-17 | 8,986,219 | 206,743 | 41,349 | 9,234,311 | 6,167,841 |
| Nov-17 | 8,086,009 | 185,074 | 37,015 | 8,308,098 | 5,521,385 |
| Dec-17 | 8,645,741 | 199,387 | 39,877 | 8,885,005 | 5,948,383 |
| Jan-18 | 10,033,006 | 54,822 | 39,158 | 10,126,986 | 6,829,239 |
| Feb-18 | 8,982,593 | 48,548 | 34,677 | 9,065,818 | 6,047,698 |
| Mar-18 | 7,485,846 | 39,654 | 28,325 | 7,553,825 | 4,939,795 |
| Apr-18 | 8,233,474 | 44,129 | 31,521 | 8,309,124 | 5,497,176 |
| May-18 | 7,455,060 | 39,227 | 28,019 | 7,522,306 | 4,886,542 |
| Jun-18 | 10,190,862 | 53,974 | 38,553 | 10,283,389 | 7,803,041 |
| | <u>111,508,485</u> | <u>1,605,208</u> | <u>465,224</u> | <u>113,578,917</u> | <u>77,900,606</u> |

Dakota Electric Association
Statement of Electric Power Automatic Resource
Adjustment Charges (Credits) by Rate Class
For the Twelve Months Ended June 30, 2018

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-17 | 12,329 | 0.1005 | 0.0030 | 0.0004 | 0.0002 |
| Aug-17 | 18,379 | 0.1005 | 0.0030 | 0.0004 | 0.0002 |
| Sep-17 | 17,405 | 0.0865 | 0.0030 | 0.0004 | 0.0002 |
| Oct-17 | 16,524 | 0.0865 | 0.0030 | 0.0004 | 0.0002 |
| Nov-17 | 27,062 | 0.0865 | 0.0030 | 0.0004 | 0.0002 |
| Dec-17 | 39,311 | 0.0865 | 0.0030 | 0.0004 | 0.0002 |
| Jan-18 | 67,701 | 0.0865 | 0.0007 | 0.0005 | 0.0000 |
| Feb-18 | 61,474 | 0.0865 | 0.0007 | 0.0005 | 0.0000 |
| Mar-18 | 42,954 | 0.0865 | 0.0007 | 0.0005 | 0.0000 |
| Apr-18 | 43,930 | 0.0865 | 0.0007 | 0.0005 | 0.0000 |
| May-18 | 29,499 | 0.0865 | 0.0007 | 0.0005 | 0.0000 |
| Jun-18 | 16,121 | 0.1005 | 0.0007 | 0.0005 | 0.0000 |
| | 392,689 | | | | |

| (G) | (H) | (I) | (J) | (K) | (L) |
|--------|----------|------------|----------|---------|------------|
| | Electric | Power | DSM & | Total | |
| | Rate | Cost | Tax | Billed | |
| Month | Revenue | Adjustment | Recovery | Revenue | COP Billed |
| Jul-17 | 1,972 | 37 | 7 | 2,016 | 1,276 |
| Aug-17 | 2,519 | 55 | 11 | 2,585 | 1,902 |
| Sep-17 | 2,239 | 52 | 10 | 2,301 | 1,558 |
| Oct-17 | 2,110 | 50 | 10 | 2,170 | 1,479 |
| Nov-17 | 3,095 | 81 | 16 | 3,192 | 2,422 |
| Dec-17 | 4,198 | 118 | 24 | 4,340 | 3,518 |
| Jan-18 | 6,633 | 47 | 34 | 6,714 | 5,904 |
| Feb-18 | 6,149 | 43 | 31 | 6,223 | 5,361 |
| Mar-18 | 4,365 | 30 | 21 | 4,416 | 3,746 |
| Apr-18 | 4,391 | 31 | 22 | 4,444 | 3,831 |
| May-18 | 3,165 | 21 | 15 | 3,201 | 2,572 |
| Jun-18 | 2,250 | 11 | 8 | 2,269 | 1,631 |
| | 43,086 | 576 | 209 | 43,871 | 35,200 |

Dakota Electric Association
Statement of Electric Power Automatic Resource
Adjustment Charges (Credits) by Rate Class
For the Twelve Months Ended June 30, 2018

Exhibit C-II
Pg 5 of 19

Rate 33
Residential Electric Vehicle 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-17 | 10,759 | 0.1005 | 0.0030 | 0.0004 | 0.0002 |
| Aug-17 | 10,896 | 0.1005 | 0.0030 | 0.0004 | 0.0002 |
| Sep-17 | 13,259 | 0.0865 | 0.0030 | 0.0004 | 0.0002 |
| Oct-17 | 13,489 | 0.0865 | 0.0030 | 0.0004 | 0.0002 |
| Nov-17 | 16,804 | 0.0865 | 0.0030 | 0.0004 | 0.0002 |
| Dec-17 | 19,397 | 0.0865 | 0.0030 | 0.0004 | 0.0002 |
| Jan-18 | 21,576 | 0.0865 | 0.0007 | 0.0005 | 0.0000 |
| Feb-18 | 21,309 | 0.0865 | 0.0007 | 0.0005 | 0.0000 |
| Mar-18 | 17,602 | 0.0865 | 0.0007 | 0.0005 | 0.0000 |
| Apr-18 | 24,508 | 0.0865 | 0.0007 | 0.0005 | 0.0000 |
| May-18 | 20,913 | 0.0865 | 0.0007 | 0.0005 | 0.0000 |
| Jun-18 | 25,629 | 0.1005 | 0.0007 | 0.0005 | 0.0000 |
| | <u>216,141</u> | | | | |

| (G) | (H) | (I) | (J) | (K) | (L) |
|--------|---------------|------------|------------|---------------|---------------|
| | Electric | Power | DSM & | Total | |
| | Rate | Cost | Tax | Billed | |
| Month | Revenue | Adjustment | Recovery | Revenue | COP Billed |
| Jul-17 | 845 | 32 | 6 | 883 | 1,114 |
| Aug-17 | 852 | 33 | 7 | 892 | 1,128 |
| Sep-17 | 1,022 | 40 | 8 | 1,070 | 1,187 |
| Oct-17 | 1,049 | 40 | 8 | 1,097 | 1,207 |
| Nov-17 | 1,272 | 50 | 10 | 1,332 | 1,504 |
| Dec-17 | 1,467 | 58 | 12 | 1,537 | 1,736 |
| Jan-18 | 1,720 | 15 | 11 | 1,746 | 1,881 |
| Feb-18 | 1,700 | 15 | 11 | 1,726 | 1,858 |
| Mar-18 | 1,367 | 12 | 9 | 1,388 | 1,535 |
| Apr-18 | 2,228 | 17 | 12 | 2,257 | 2,137 |
| May-18 | 1,621 | 15 | 10 | 1,646 | 1,824 |
| Jun-18 | 1,645 | 18 | 13 | 1,676 | 2,594 |
| | <u>16,788</u> | <u>345</u> | <u>117</u> | <u>17,250</u> | <u>19,705</u> |

Dakota Electric Association
Statement of Electric Power Automatic Resource
Adjustment Charges (Credits) by Rate Class
For the Twelve Months Ended June 30, 2018

Exhibit C-II

Pg 6 of 19

Rate 36
Irrigation - Firm Service

| (A) | (B) | (C) | (D) | (E) | (F) |
|---------------|------------------|----------------|-------------------|--------------------|--------------------|
| | | Rates | | | |
| | | Base | Power | DSM Tracker | Tax Tracker |
| Month | kWh Sales | Cost of | Cost | Account | Account |
| | | Power | Adjustment | Recovery | Recovery |
| Jul-17 | 71,166 | 0.1005 | 0.0030 | 0.0004 | 0.0002 |
| Aug-17 | 42,234 | 0.1005 | 0.0030 | 0.0004 | 0.0002 |
| Sep-17 | 52,816 | 0.0865 | 0.0030 | 0.0004 | 0.0002 |
| Oct-17 | 25,306 | 0.0865 | 0.0030 | 0.0004 | 0.0002 |
| Nov-17 | 1,169 | 0.0865 | 0.0030 | 0.0004 | 0.0002 |
| Dec-17 | 451 | 0.0865 | 0.0030 | 0.0004 | 0.0002 |
| Jan-18 | 425 | 0.0865 | 0.0007 | 0.0005 | 0.0001 |
| Feb-18 | 382 | 0.0865 | 0.0007 | 0.0005 | 0.0001 |
| Mar-18 | 408 | 0.0865 | 0.0007 | 0.0005 | 0.0001 |
| Apr-18 | 533 | 0.0865 | 0.0007 | 0.0005 | 0.0001 |
| May-18 | 45,452 | 0.0865 | 0.0007 | 0.0005 | 0.0001 |
| Jun-18 | 47,841 | 0.1005 | 0.0007 | 0.0005 | 0.0001 |
| | <u>288,183</u> | | | | |

| (G) | (H) | (I) | (J) | (K) | (L) |
|---------------|-----------------|-------------------|------------------|----------------|---------------|
| | Electric | Power | DSM & | Total | |
| Month | Rate | Cost | Tax | Billed | COP |
| | Revenue | Adjustment | Recovery | Revenue | Billed |
| Jul-17 | 17,593 | 213 | 43 | 17,849 | 7,366 |
| Aug-17 | 13,863 | 127 | 25 | 14,015 | 4,371 |
| Sep-17 | 9,980 | 158 | 32 | 10,170 | 4,727 |
| Oct-17 | 6,270 | 76 | 15 | 6,361 | 2,265 |
| Nov-17 | 2,854 | 4 | 1 | 2,859 | 105 |
| Dec-17 | 370 | 1 | 0 | 371 | 40 |
| Jan-18 | 288 | 0 | 0 | 288 | 37 |
| Feb-18 | 265 | 0 | 0 | 265 | 33 |
| Mar-18 | 263 | 0 | 0 | 263 | 36 |
| Apr-18 | 896 | 0 | 0 | 896 | 46 |
| May-18 | 9,751 | 32 | 27 | 9,810 | 3,963 |
| Jun-18 | 16,454 | 33 | 29 | 16,516 | 4,842 |
| | <u>78,847</u> | <u>644</u> | <u>172</u> | <u>79,663</u> | <u>27,831</u> |

Dakota Electric Association
Statement of Electric Power Automatic Resource
Adjustment Charges (Credits) by Rate Class
For the Twelve Months Ended June 30, 2018

Exhibit C-II

Pg 7 of 19

Rate 37
Irrigation - Interruptible Service

| (A) | (B) | (C) | (D) | (E) | (F) |
|---------------|------------------|----------------|-------------------|--------------------|--------------------|
| | | Rates | | | |
| | | Base | Power | DSM Tracker | Tax Tracker |
| Month | kWh Sales | Cost of | Cost | Account | Account |
| | | Power | Adjustment | Recovery | Recovery |
| Jul-17 | 3,424,673 | 0.0497 | 0.0004 | 0.0004 | 0.0002 |
| Aug-17 | 1,717,382 | 0.0497 | 0.0004 | 0.0004 | 0.0002 |
| Sep-17 | 1,277,787 | 0.0497 | 0.0004 | 0.0004 | 0.0002 |
| Oct-17 | 41,455 | 0.0497 | 0.0004 | 0.0004 | 0.0002 |
| Nov-17 | 75,765 | 0.0497 | 0.0004 | 0.0004 | 0.0002 |
| Dec-17 | 20,305 | 0.0497 | 0.0004 | 0.0004 | 0.0002 |
| Jan-18 | 7,772 | 0.0497 | 0.0021 | 0.0005 | 0.0001 |
| Feb-18 | 7,240 | 0.0497 | 0.0021 | 0.0005 | 0.0001 |
| Mar-18 | 6,918 | 0.0497 | 0.0021 | 0.0005 | 0.0001 |
| Apr-18 | 8,542 | 0.0497 | 0.0021 | 0.0005 | 0.0001 |
| May-18 | 249,365 | 0.0497 | 0.0021 | 0.0005 | 0.0001 |
| Jun-18 | 614,953 | 0.0497 | 0.0021 | 0.0005 | 0.0001 |
| | <u>7,452,157</u> | | | | |

| (G) | (H) | (I) | (J) | (K) | (L) |
|---------------|-----------------|-------------------|------------------|----------------|----------------|
| | Electric | Power | DSM & | Total | |
| Month | Rate | Cost | Tax | Billed | COP |
| | Revenue | Adjustment | Recovery | Revenue | Billed |
| Jul-17 | 286,533 | 1,370 | 2,055 | 289,958 | 171,576 |
| Aug-17 | 197,269 | 687 | 1,030 | 198,986 | 86,041 |
| Sep-17 | 157,318 | 511 | 767 | 158,596 | 64,017 |
| Oct-17 | 20,468 | 17 | 25 | 20,510 | 2,077 |
| Nov-17 | 18,660 | 30 | 45 | 18,735 | 3,796 |
| Dec-17 | 13,605 | 8 | 12 | 13,625 | 1,017 |
| Jan-18 | 11,649 | 16 | 5 | 11,670 | 403 |
| Feb-18 | 11,895 | 15 | 4 | 11,914 | 375 |
| Mar-18 | 11,966 | 15 | 4 | 11,985 | 358 |
| Apr-18 | 13,425 | 18 | 5 | 13,448 | 442 |
| May-18 | 58,492 | 524 | 150 | 59,166 | 12,917 |
| Jun-18 | 107,554 | 1,291 | 369 | 109,214 | 31,855 |
| | <u>908,834</u> | <u>4,502</u> | <u>4,471</u> | <u>917,807</u> | <u>374,874</u> |

Dakota Electric Association
Statement of Electric Power Automatic Resource
Adjustment Charges (Credits) by Rate Class
For the Twelve Months Ended June 30, 2018

Exhibit C-II

Pg 8 of 19

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-17 | 3,323,514 | 0.1005 | 0.0030 | 0.0004 | 0.0003 |
| Aug-17 | 3,703,059 | 0.1005 | 0.0030 | 0.0004 | 0.0003 |
| Sep-17 | 3,424,494 | 0.0865 | 0.0030 | 0.0004 | 0.0003 |
| Oct-17 | 3,195,064 | 0.0865 | 0.0030 | 0.0004 | 0.0003 |
| Nov-17 | 3,579,624 | 0.0865 | 0.0030 | 0.0004 | 0.0003 |
| Dec-17 | 3,575,903 | 0.0865 | 0.0030 | 0.0004 | 0.0003 |
| Jan-18 | 4,326,388 | 0.0865 | 0.0007 | 0.0005 | 0.0000 |
| Feb-18 | 3,976,322 | 0.0865 | 0.0007 | 0.0005 | 0.0000 |
| Mar-18 | 3,463,986 | 0.0865 | 0.0007 | 0.0005 | 0.0000 |
| Apr-18 | 3,598,039 | 0.0865 | 0.0007 | 0.0005 | 0.0000 |
| May-18 | 2,952,736 | 0.0865 | 0.0007 | 0.0005 | 0.0000 |
| Jun-18 | 3,382,382 | 0.1005 | 0.0007 | 0.0005 | 0.0000 |
| | <u>42,501,511</u> | | | | |

| (G) | (H) | (I) | (J) | (K) | (L) |
|--------|------------------|---------------|---------------|------------------|------------------|
| | Electric | Power | DSM & | Total | |
| | Rate | Cost | Tax | Billed | |
| Month | Revenue | Adjustment | Recovery | Revenue | COP Billed |
| Jul-17 | 481,269 | 9,971 | 2,326 | 493,566 | 343,984 |
| Aug-17 | 529,466 | 11,109 | 2,592 | 543,167 | 383,267 |
| Sep-17 | 454,354 | 10,273 | 2,397 | 467,024 | 306,492 |
| Oct-17 | 420,266 | 9,585 | 2,237 | 432,088 | 285,958 |
| Nov-17 | 463,722 | 10,739 | 2,506 | 476,967 | 320,376 |
| Dec-17 | 463,334 | 10,728 | 2,503 | 476,565 | 320,043 |
| Jan-18 | 548,572 | 3,028 | 2,163 | 553,763 | 377,261 |
| Feb-18 | 508,920 | 2,783 | 1,988 | 513,691 | 346,735 |
| Mar-18 | 452,008 | 2,425 | 1,732 | 456,165 | 302,060 |
| Apr-18 | 467,049 | 2,519 | 1,799 | 471,367 | 313,749 |
| May-18 | 403,003 | 2,067 | 1,476 | 406,546 | 257,479 |
| Jun-18 | 459,985 | 2,368 | 1,691 | 464,044 | 342,297 |
| | <u>5,651,948</u> | <u>77,595</u> | <u>25,410</u> | <u>5,754,953</u> | <u>3,899,701</u> |

Dakota Electric Association
Statement of Electric Power Automatic Resource
Adjustment Charges (Credits) by Rate Class
For the Twelve Months Ended June 30, 2018

Exhibit C-II

Pg 9 of 19

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-17 | 936,347 | 0.1005 | 0.0030 | 0.0004 | 0.0002 |
| Aug-17 | 936,265 | 0.1005 | 0.0030 | 0.0004 | 0.0002 |
| Sep-17 | 934,799 | 0.0865 | 0.0030 | 0.0004 | 0.0002 |
| Oct-17 | 931,751 | 0.0865 | 0.0030 | 0.0004 | 0.0002 |
| Nov-17 | 929,662 | 0.0865 | 0.0030 | 0.0004 | 0.0002 |
| Dec-17 | 929,998 | 0.0865 | 0.0030 | 0.0004 | 0.0002 |
| Jan-18 | 930,141 | 0.0865 | 0.0007 | 0.0005 | 0.0005 |
| Feb-18 | 928,500 | 0.0865 | 0.0007 | 0.0005 | 0.0005 |
| Mar-18 | 927,510 | 0.0865 | 0.0007 | 0.0005 | 0.0005 |
| Apr-18 | 929,697 | 0.0865 | 0.0007 | 0.0005 | 0.0005 |
| May-18 | 929,382 | 0.0865 | 0.0007 | 0.0005 | 0.0005 |
| Jun-18 | 928,653 | 0.1005 | 0.0007 | 0.0005 | 0.0005 |
| | <u>11,172,705</u> | | | | |

| (G) | (H) | (I) | (J) | (K) | (L) |
|--------|------------------|---------------|--------------|------------------|------------------|
| | Electric | Power | DSM & | Total | |
| | Rate | Cost | Tax | Billed | |
| Month | Revenue | Adjustment | Recovery | Revenue | COP Billed |
| Jul-17 | 169,927 | 2,809 | 562 | 173,298 | 96,912 |
| Aug-17 | 170,001 | 2,809 | 562 | 173,372 | 96,903 |
| Sep-17 | 169,361 | 2,804 | 561 | 172,726 | 83,665 |
| Oct-17 | 169,154 | 2,795 | 559 | 172,508 | 83,392 |
| Nov-17 | 169,128 | 2,789 | 558 | 172,475 | 83,205 |
| Dec-17 | 169,273 | 2,790 | 558 | 172,621 | 83,235 |
| Jan-18 | 169,471 | 651 | 930 | 171,052 | 81,108 |
| Feb-18 | 169,271 | 650 | 929 | 170,850 | 80,965 |
| Mar-18 | 169,226 | 649 | 928 | 170,803 | 80,879 |
| Apr-18 | 169,474 | 651 | 930 | 171,055 | 81,070 |
| May-18 | 169,493 | 651 | 929 | 171,073 | 81,042 |
| Jun-18 | 169,357 | 650 | 929 | 170,936 | 93,980 |
| | <u>2,033,136</u> | <u>20,698</u> | <u>8,935</u> | <u>2,062,769</u> | <u>1,026,356</u> |

Dakota Electric Association
Statement of Electric Power Automatic Resource
Adjustment Charges (Credits) by Rate Class
For the Twelve Months Ended June 30, 2018

Exhibit C-II

Pg 10 of 19

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-17 | 39,335,092 | 0.1005 | 0.0030 | 0.0004 | 0.0000 |
| Aug-17 | 44,303,577 | 0.1005 | 0.0030 | 0.0004 | 0.0000 |
| Sep-17 | 39,863,226 | 0.0865 | 0.0030 | 0.0004 | 0.0000 |
| Oct-17 | 36,755,710 | 0.0865 | 0.0030 | 0.0004 | 0.0000 |
| Nov-17 | 37,154,354 | 0.0865 | 0.0030 | 0.0004 | 0.0000 |
| Dec-17 | 34,455,382 | 0.0865 | 0.0030 | 0.0004 | 0.0000 |
| Jan-18 | 39,462,865 | 0.0865 | 0.0007 | 0.0005 | 0.0001 |
| Feb-18 | 35,637,135 | 0.0865 | 0.0007 | 0.0005 | 0.0001 |
| Mar-18 | 33,848,047 | 0.0865 | 0.0007 | 0.0005 | 0.0001 |
| Apr-18 | 34,674,127 | 0.0865 | 0.0007 | 0.0005 | 0.0001 |
| May-18 | 34,240,044 | 0.0865 | 0.0007 | 0.0005 | 0.0001 |
| Jun-18 | 41,849,041 | 0.1005 | 0.0007 | 0.0005 | 0.0001 |
| | <u>451,578,600</u> | | | | |

| (G) | (H) | (I) | (J) | (K) | (L) |
|--------|-------------------|----------------|----------------|-------------------|-------------------|
| | Electric | Power | DSM & | Total | |
| | Rate | Cost | Tax | Billed | |
| Month | Revenue | Adjustment | Recovery | Revenue | COP Billed |
| Jul-17 | 4,571,418 | 118,005 | 15,734 | 4,705,157 | 4,071,182 |
| Aug-17 | 4,859,655 | 132,911 | 17,721 | 5,010,287 | 4,585,420 |
| Sep-17 | 4,184,725 | 119,590 | 15,945 | 4,320,260 | 3,567,759 |
| Oct-17 | 3,941,119 | 110,267 | 14,702 | 4,066,088 | 3,289,636 |
| Nov-17 | 3,768,912 | 111,463 | 14,862 | 3,895,237 | 3,325,315 |
| Dec-17 | 3,600,687 | 103,366 | 13,782 | 3,717,835 | 3,083,757 |
| Jan-18 | 3,897,936 | 27,624 | 23,678 | 3,949,238 | 3,441,162 |
| Feb-18 | 3,594,916 | 24,946 | 21,382 | 3,641,244 | 3,107,558 |
| Mar-18 | 3,448,245 | 23,694 | 20,309 | 3,492,248 | 2,951,550 |
| Apr-18 | 3,504,465 | 24,272 | 20,804 | 3,549,541 | 3,023,584 |
| May-18 | 3,725,634 | 23,968 | 20,544 | 3,770,146 | 2,985,732 |
| Jun-18 | 4,656,691 | 29,294 | 25,109 | 4,711,094 | 4,235,123 |
| | <u>47,754,403</u> | <u>849,400</u> | <u>224,572</u> | <u>48,828,375</u> | <u>41,667,778</u> |

Dakota Electric Association
Statement of Electric Power Automatic Resource
Adjustment Charges (Credits) by Rate Class
For the Twelve Months Ended June 30, 2018

Exhibit C-II

Pg 11 of 19

Rate 45 & 47

Low Wattage Unmetered and Municipal Civil Defense Sirens

| (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-17 | 0 | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| Aug-17 | 0 | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| Sep-17 | 0 | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| Oct-17 | 0 | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| Nov-17 | 0 | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| Dec-17 | 0 | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| Jan-18 | 0 | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| Feb-18 | 0 | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| Mar-18 | 0 | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| Apr-18 | 0 | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| May-18 | 0 | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| Jun-18 | 0 | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| | 0 | | | | |
| | | | | | |
| (G) | (H) | (I) | (J) | (K) | (L) |
| | Electric | Power | DSM & | Total | |
| | Rate | Cost | Tax | Billed | |
| Month | Revenue | Adjustment | Recovery | Revenue | COP Billed |
| Jul-17 | 960 | 0 | 0 | 960 | 0 |
| Aug-17 | 940 | 0 | 0 | 940 | 0 |
| Sep-17 | 950 | 0 | 0 | 950 | 0 |
| Oct-17 | 985 | 0 | 0 | 985 | 0 |
| Nov-17 | 985 | 0 | 0 | 985 | 0 |
| Dec-17 | 990 | 0 | 0 | 990 | 0 |
| Jan-18 | 990 | 0 | 0 | 990 | 0 |
| Feb-18 | 990 | 0 | 0 | 990 | 0 |
| Mar-18 | 980 | 0 | 0 | 980 | 0 |
| Apr-18 | 980 | 0 | 0 | 980 | 0 |
| May-18 | 980 | 0 | 0 | 980 | 0 |
| Jun-18 | 980 | 0 | 0 | 980 | 0 |
| | 11,710 | 0 | 0 | 11,710 | 0 |
| | | | | | |

Dakota Electric Association
Statement of Electric Power Automatic Resource
Adjustment Charges (Credits) by Rate Class
For the Twelve Months Ended June 30, 2018

Exhibit C-II

Pg 12 of 19

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-17 | 11,142 | 0.0775 | 0.0016 | 0.0004 | 0.0000 |
| Aug-17 | 13,914 | 0.0775 | 0.0016 | 0.0004 | 0.0000 |
| Sep-17 | 10,942 | 0.0775 | 0.0016 | 0.0004 | 0.0000 |
| Oct-17 | 11,263 | 0.0775 | 0.0016 | 0.0004 | 0.0000 |
| Nov-17 | 14,173 | 0.0775 | 0.0016 | 0.0004 | 0.0000 |
| Dec-17 | 16,957 | 0.0775 | 0.0016 | 0.0004 | 0.0000 |
| Jan-18 | 26,804 | 0.0775 | 0.0027 | 0.0005 | 0.0001 |
| Feb-18 | 21,774 | 0.0775 | 0.0027 | 0.0005 | 0.0001 |
| Mar-18 | 18,714 | 0.0775 | 0.0027 | 0.0005 | 0.0001 |
| Apr-18 | 17,838 | 0.0775 | 0.0027 | 0.0005 | 0.0001 |
| May-18 | 10,063 | 0.0775 | 0.0027 | 0.0005 | 0.0001 |
| Jun-18 | 13,039 | 0.0775 | 0.0027 | 0.0005 | 0.0001 |
| | 186,623 | | | | |

| (G) | (H) | (I) | (J) | (K) | (L) |
|--------|-----------------------------|-----------------------------|--------------------------|----------------------------|---------------|
| Month | Electric Rate Revenue | Power Cost Adjustment | DSM & Tax Recovery | Total Billed Revenue | COP Billed |
| Jul-17 | 1,048 | 18 | 4 | 1,070 | 881 |
| Aug-17 | 1,308 | 22 | 6 | 1,336 | 1,101 |
| Sep-17 | 1,028 | 18 | 4 | 1,050 | 866 |
| Oct-17 | 1,058 | 18 | 5 | 1,081 | 891 |
| Nov-17 | 1,332 | 23 | 6 | 1,361 | 1,121 |
| Dec-17 | 1,594 | 27 | 7 | 1,628 | 1,341 |
| Jan-18 | 2,520 | 72 | 16 | 2,608 | 2,150 |
| Feb-18 | 2,047 | 59 | 13 | 2,119 | 1,746 |
| Mar-18 | 1,759 | 51 | 11 | 1,821 | 1,501 |
| Apr-18 | 1,677 | 48 | 11 | 1,736 | 1,431 |
| May-18 | 946 | 27 | 6 | 979 | 807 |
| Jun-18 | 1,226 | 35 | 8 | 1,269 | 1,046 |
| | 17,543 | 418 | 97 | 18,058 | 14,882 |

Dakota Electric Association
Statement of Electric Power Automatic Resource
Adjustment Charges (Credits) by Rate Class
For the Twelve Months Ended June 30, 2018

Exhibit C-II

Pg 13 of 19

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-17 | 857,663 | 0.0200 | 0.0016 | 0.0004 | 0.0002 |
| Aug-17 | 917,197 | 0.0200 | 0.0016 | 0.0004 | 0.0002 |
| Sep-17 | 676,598 | 0.0200 | 0.0016 | 0.0004 | 0.0002 |
| Oct-17 | 645,221 | 0.0200 | 0.0016 | 0.0004 | 0.0002 |
| Nov-17 | 653,024 | 0.0200 | 0.0016 | 0.0004 | 0.0002 |
| Dec-17 | 837,154 | 0.0200 | 0.0016 | 0.0004 | 0.0002 |
| Jan-18 | 1,107,312 | 0.0200 | 0.0017 | 0.0005 | 0.0000 |
| Feb-18 | 1,069,502 | 0.0200 | 0.0017 | 0.0005 | 0.0000 |
| Mar-18 | 842,619 | 0.0200 | 0.0017 | 0.0005 | 0.0000 |
| Apr-18 | 1,011,158 | 0.0200 | 0.0017 | 0.0005 | 0.0000 |
| May-18 | 768,093 | 0.0200 | 0.0017 | 0.0005 | 0.0000 |
| Jun-18 | 881,191 | 0.0200 | 0.0017 | 0.0005 | 0.0000 |
| | <u>10,266,732</u> | | | | |

| (G) | (H) | (I) | (J) | (K) | (L) |
|--------|----------------|---------------|--------------|----------------|----------------|
| | Electric | Power | DSM & | Total | |
| | Rate | Cost | Tax | Billed | |
| Month | Revenue | Adjustment | Recovery | Revenue | COP Billed |
| Jul-17 | 37,737 | 1,372 | 515 | 39,624 | 18,526 |
| Aug-17 | 40,356 | 1,468 | 550 | 42,374 | 19,811 |
| Sep-17 | 29,747 | 1,083 | 406 | 31,236 | 14,615 |
| Oct-17 | 28,390 | 1,032 | 387 | 29,809 | 13,937 |
| Nov-17 | 28,733 | 1,045 | 392 | 30,170 | 14,105 |
| Dec-17 | 36,824 | 1,339 | 502 | 38,665 | 18,083 |
| Jan-18 | 48,721 | 1,882 | 554 | 51,157 | 24,029 |
| Feb-18 | 47,058 | 1,818 | 535 | 49,411 | 23,208 |
| Mar-18 | 37,077 | 1,432 | 421 | 38,930 | 18,285 |
| Apr-18 | 44,448 | 1,719 | 506 | 46,673 | 21,942 |
| May-18 | 33,797 | 1,306 | 384 | 35,487 | 16,668 |
| Jun-18 | 38,773 | 1,498 | 441 | 40,712 | 19,122 |
| | <u>451,661</u> | <u>16,994</u> | <u>5,593</u> | <u>474,248</u> | <u>222,331</u> |

Dakota Electric Association
Statement of Electric Power Automatic Resource
Adjustment Charges (Credits) by Rate Class
For the Twelve Months Ended June 30, 2018

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-17 | 3,549,387 | 0.0305 | 0.0059 | 0.0004 | 0.0002 |
| Aug-17 | 3,966,961 | 0.0305 | 0.0059 | 0.0004 | 0.0002 |
| Sep-17 | 2,895,975 | 0.0305 | 0.0059 | 0.0004 | 0.0002 |
| Oct-17 | 2,690,211 | 0.0305 | 0.0059 | 0.0004 | 0.0002 |
| Nov-17 | 3,432,360 | 0.0305 | 0.0059 | 0.0004 | 0.0002 |
| Dec-17 | 4,168,040 | 0.0305 | 0.0059 | 0.0004 | 0.0002 |
| Jan-18 | 5,599,096 | 0.0305 | 0.0046 | 0.0005 | 0.0000 |
| Feb-18 | 5,248,872 | 0.0305 | 0.0046 | 0.0005 | 0.0000 |
| Mar-18 | 4,185,976 | 0.0305 | 0.0046 | 0.0005 | 0.0000 |
| Apr-18 | 4,547,171 | 0.0305 | 0.0046 | 0.0005 | 0.0000 |
| May-18 | 3,286,882 | 0.0305 | 0.0046 | 0.0005 | 0.0000 |
| Jun-18 | 3,581,600 | 0.0305 | 0.0046 | 0.0005 | 0.0000 |
| | <u>47,152,531</u> | | | | |

| (G) | (H) | (I) | (J) | (K) | (L) |
|--------|------------------|----------------|---------------|------------------|------------------|
| | Electric | Power | DSM & | Total | |
| | Rate | Cost | Tax | Billed | |
| Month | Revenue | Adjustment | Recovery | Revenue | COP |
| Jul-17 | 195,001 | 20,941 | 2,130 | 218,072 | 129,198 |
| Aug-17 | 218,250 | 23,405 | 2,380 | 244,035 | 144,397 |
| Sep-17 | 159,336 | 17,086 | 1,738 | 178,160 | 105,413 |
| Oct-17 | 147,847 | 15,872 | 1,614 | 165,333 | 97,924 |
| Nov-17 | 189,046 | 20,251 | 2,059 | 211,356 | 124,938 |
| Dec-17 | 229,320 | 24,591 | 2,501 | 256,412 | 151,717 |
| Jan-18 | 308,071 | 25,756 | 2,800 | 336,627 | 196,528 |
| Feb-18 | 288,807 | 24,145 | 2,624 | 315,576 | 184,235 |
| Mar-18 | 230,208 | 19,255 | 2,093 | 251,556 | 146,928 |
| Apr-18 | 250,089 | 20,917 | 2,274 | 273,280 | 159,606 |
| May-18 | 180,764 | 15,120 | 1,643 | 197,527 | 115,370 |
| Jun-18 | 196,978 | 16,475 | 1,791 | 215,244 | 125,714 |
| | <u>2,593,717</u> | <u>243,814</u> | <u>25,647</u> | <u>2,863,178</u> | <u>1,681,968</u> |

Dakota Electric Association
Statement of Electric Power Automatic Resource
Adjustment Charges (Credits) by Rate Class
For the Twelve Months Ended June 30, 2018

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-17 | 17,011 | 0.1005 | 0.0030 | 0.0004 | 0.0002 |
| Aug-17 | 18,337 | 0.1005 | 0.0030 | 0.0004 | 0.0002 |
| Sep-17 | 15,207 | 0.0865 | 0.0030 | 0.0004 | 0.0002 |
| Oct-17 | 15,406 | 0.0865 | 0.0030 | 0.0004 | 0.0002 |
| Nov-17 | 18,710 | 0.0865 | 0.0030 | 0.0004 | 0.0002 |
| Dec-17 | 20,476 | 0.0865 | 0.0030 | 0.0004 | 0.0002 |
| Jan-18 | 25,408 | 0.0865 | 0.0007 | 0.0005 | 0.0000 |
| Feb-18 | 22,283 | 0.0865 | 0.0007 | 0.0005 | 0.0000 |
| Mar-18 | 21,836 | 0.0865 | 0.0007 | 0.0005 | 0.0000 |
| Apr-18 | 20,614 | 0.0865 | 0.0007 | 0.0005 | 0.0000 |
| May-18 | 13,941 | 0.0865 | 0.0007 | 0.0005 | 0.0000 |
| Jun-18 | 16,345 | 0.1005 | 0.0007 | 0.0005 | 0.0000 |
| | <u>225,574</u> | | | | |

| (G) | (H) | (I) | (J) | (K) | (L) |
|--------|---------------|------------|------------|---------------|---------------|
| | Electric | Power | DSM & | Total | |
| | Rate | Cost | Tax | Billed | |
| Month | Revenue | Adjustment | Recovery | Revenue | COP Billed |
| Jul-17 | 2,204 | 51 | 10 | 2,265 | 1,761 |
| Aug-17 | 2,386 | 55 | 11 | 2,452 | 1,898 |
| Sep-17 | 1,948 | 46 | 9 | 2,003 | 1,361 |
| Oct-17 | 1,953 | 46 | 9 | 2,008 | 1,379 |
| Nov-17 | 2,305 | 56 | 11 | 2,372 | 1,675 |
| Dec-17 | 2,510 | 61 | 12 | 2,583 | 1,833 |
| Jan-18 | 3,028 | 18 | 13 | 3,059 | 2,216 |
| Feb-18 | 2,606 | 16 | 11 | 2,633 | 1,943 |
| Mar-18 | 2,608 | 15 | 11 | 2,634 | 1,904 |
| Apr-18 | 2,480 | 14 | 10 | 2,504 | 1,798 |
| May-18 | 1,764 | 10 | 7 | 1,781 | 1,216 |
| Jun-18 | 2,099 | 11 | 8 | 2,118 | 1,654 |
| | <u>27,891</u> | <u>399</u> | <u>122</u> | <u>28,412</u> | <u>20,638</u> |

Dakota Electric Association
Statement of Electric Power Automatic Resource
Adjustment Charges (Credits) by Rate Class
For the Twelve Months Ended June 30, 2018

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-17 | 159,120 | 0.1005 | 0.0030 | 0.0004 | 0.0000 |
| Aug-17 | 124,656 | 0.1005 | 0.0030 | 0.0004 | 0.0000 |
| Sep-17 | 114,960 | 0.0865 | 0.0030 | 0.0004 | 0.0000 |
| Oct-17 | 67,272 | 0.0865 | 0.0030 | 0.0004 | 0.0000 |
| Nov-17 | 81,888 | 0.0865 | 0.0030 | 0.0004 | 0.0000 |
| Dec-17 | 63,504 | 0.0865 | 0.0030 | 0.0004 | 0.0000 |
| Jan-18 | 61,440 | 0.0865 | 0.0007 | 0.0005 | 0.0001 |
| Feb-18 | 72,144 | 0.0865 | 0.0007 | 0.0005 | 0.0001 |
| Mar-18 | 82,944 | 0.0865 | 0.0007 | 0.0005 | 0.0001 |
| Apr-18 | 93,840 | 0.0865 | 0.0007 | 0.0005 | 0.0001 |
| May-18 | 73,440 | 0.0865 | 0.0007 | 0.0005 | 0.0001 |
| Jun-18 | 141,744 | 0.1005 | 0.0007 | 0.0005 | 0.0001 |
| | <u>1,136,952</u> | | | | |

| (G) | (H) | (I) | (J) | (K) | (L) |
|--------|----------------|--------------|------------|----------------|----------------|
| | Electric | Power | DSM & | Total | |
| | Rate | Cost | Tax | Billed | |
| Month | Revenue | Adjustment | Recovery | Revenue | COP Billed |
| Jul-17 | 17,028 | 477 | 64 | 17,569 | 16,469 |
| Aug-17 | 16,439 | 374 | 50 | 16,863 | 12,902 |
| Sep-17 | 12,437 | 345 | 46 | 12,828 | 10,289 |
| Oct-17 | 7,807 | 202 | 27 | 8,036 | 6,021 |
| Nov-17 | 8,123 | 246 | 33 | 8,402 | 7,329 |
| Dec-17 | 7,743 | 191 | 25 | 7,959 | 5,684 |
| Jan-18 | 7,693 | 43 | 37 | 7,773 | 5,358 |
| Feb-18 | 8,825 | 51 | 43 | 8,919 | 6,291 |
| Mar-18 | 9,732 | 58 | 50 | 9,840 | 7,233 |
| Apr-18 | 9,632 | 66 | 56 | 9,754 | 8,183 |
| May-18 | 9,422 | 51 | 44 | 9,517 | 6,404 |
| Jun-18 | 16,580 | 99 | 85 | 16,764 | 14,344 |
| | <u>131,461</u> | <u>2,203</u> | <u>560</u> | <u>134,224</u> | <u>106,507</u> |

Dakota Electric Association
Statement of Electric Power Automatic Resource
Adjustment Charges (Credits) by Rate Class
For the Twelve Months Ended June 30, 2018

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-17 | 39,381,819 | 0.0497 | 0.0004 | 0.0004 | 0.0001 |
| Aug-17 | 38,064,416 | 0.0497 | 0.0004 | 0.0004 | 0.0001 |
| Sep-17 | 36,364,667 | 0.0497 | 0.0004 | 0.0004 | 0.0001 |
| Oct-17 | 33,576,454 | 0.0497 | 0.0004 | 0.0004 | 0.0001 |
| Nov-17 | 31,061,540 | 0.0497 | 0.0004 | 0.0004 | 0.0001 |
| Dec-17 | 31,977,969 | 0.0497 | 0.0004 | 0.0004 | 0.0001 |
| Jan-18 | 32,397,526 | 0.0497 | 0.0021 | 0.0005 | 0.0000 |
| Feb-18 | 29,308,688 | 0.0497 | 0.0021 | 0.0005 | 0.0000 |
| Mar-18 | 31,373,446 | 0.0497 | 0.0021 | 0.0005 | 0.0000 |
| Apr-18 | 30,774,887 | 0.0497 | 0.0021 | 0.0005 | 0.0000 |
| May-18 | 37,260,383 | 0.0497 | 0.0021 | 0.0005 | 0.0000 |
| Jun-18 | 37,563,824 | 0.0497 | 0.0021 | 0.0005 | 0.0000 |
| | <u>409,105,619</u> | | | | |

| (G) | (H) | (I) | (J) | (K) | (L) |
|--------|-------------------|----------------|----------------|-------------------|-------------------|
| | Electric | Power | DSM & | Total | |
| | Rate | Cost | Tax | Billed | |
| Month | Revenue | Adjustment | Recovery | Revenue | COP Billed |
| Jul-17 | 2,458,366 | 15,753 | 19,691 | 2,493,810 | 1,973,029 |
| Aug-17 | 2,368,822 | 15,226 | 19,032 | 2,403,080 | 1,907,027 |
| Sep-17 | 2,299,666 | 14,546 | 18,182 | 2,332,394 | 1,821,870 |
| Oct-17 | 2,114,023 | 13,431 | 16,788 | 2,144,242 | 1,682,180 |
| Nov-17 | 1,940,338 | 12,425 | 15,531 | 1,968,294 | 1,556,183 |
| Dec-17 | 1,971,423 | 12,791 | 15,989 | 2,000,203 | 1,602,096 |
| Jan-18 | 1,984,086 | 68,035 | 16,199 | 2,068,320 | 1,678,192 |
| Feb-18 | 1,834,902 | 61,548 | 14,654 | 1,911,104 | 1,518,190 |
| Mar-18 | 1,902,902 | 65,884 | 15,687 | 1,984,473 | 1,625,145 |
| Apr-18 | 1,936,400 | 64,627 | 15,387 | 2,016,414 | 1,594,139 |
| May-18 | 2,346,165 | 78,247 | 18,630 | 2,443,042 | 1,930,088 |
| Jun-18 | 2,360,905 | 78,884 | 18,782 | 2,458,571 | 1,945,806 |
| | <u>25,517,998</u> | <u>501,397</u> | <u>204,552</u> | <u>26,223,947</u> | <u>20,833,945</u> |

Dakota Electric Association
Statement of Electric Power Automatic Resource
Adjustment Charges (Credits) by Rate Class
For the Twelve Months Ended June 30, 2018

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 |
| Month | kWh Sales | Cost of | Cost | Account | Account |
| | | Power | Adjustment | Recovery | Recovery |
| Jul-17 | 1,041,077 | 0.0000 | 0.0030 | 0.0004 | 0.0002 |
| Aug-17 | 1,249,524 | 0.0000 | 0.0030 | 0.0004 | 0.0002 |
| Sep-17 | 629,022 | 0.0000 | 0.0030 | 0.0004 | 0.0002 |
| Oct-17 | 495,464 | 0.0000 | 0.0030 | 0.0004 | 0.0002 |
| Nov-17 | 17,897 | 0.0000 | 0.0030 | 0.0004 | 0.0002 |
| Dec-17 | 86 | 0.0000 | 0.0030 | 0.0004 | 0.0002 |
| Jan-18 | 122 | 0.0000 | 0.0007 | 0.0005 | 0.0000 |
| Feb-18 | 303 | 0.0000 | 0.0007 | 0.0005 | 0.0000 |
| Mar-18 | 500 | 0.0000 | 0.0007 | 0.0005 | 0.0000 |
| Apr-18 | 0 | 0.0000 | 0.0007 | 0.0005 | 0.0000 |
| May-18 | 149,135 | 0.0000 | 0.0007 | 0.0005 | 0.0000 |
| Jun-18 | 804,868 | 0.0000 | 0.0007 | 0.0005 | 0.0000 |
| | <u>4,387,998</u> | | | | |

| (G) | (H) | (I) | (J) | (K) | (L) |
|---------------|------------------|-------------------|------------------|------------------|---------------|
| | Electric | Power | DSM & | Total | |
| Month | Rate | Cost | Tax | Billed | COP |
| | Revenue | Adjustment | Recovery | Revenue | Billed |
| Jul-17 | (37,062) | 3,123 | 625 | (33,314) | 3,123 |
| Aug-17 | (44,484) | 3,749 | 750 | (39,985) | 3,749 |
| Sep-17 | (22,393) | 1,887 | 377 | (20,129) | 1,887 |
| Oct-17 | (17,638) | 1,486 | 297 | (15,855) | 1,486 |
| Nov-17 | (638) | 54 | 11 | (573) | 54 |
| Dec-17 | (3) | 0 | 0 | (3) | 0 |
| Jan-18 | (4) | 0 | 0 | (4) | 0 |
| Feb-18 | (10) | 0 | 0 | (10) | 0 |
| Mar-18 | 2,337 | 0 | 0 | 2,337 | 0 |
| Apr-18 | (2,465) | 0 | 0 | (2,465) | 0 |
| May-18 | (4,951) | 104 | 75 | (4,772) | 104 |
| Jun-18 | (26,721) | 563 | 402 | (25,756) | 563 |
| | <u>(154,032)</u> | <u>10,966</u> | <u>2,537</u> | <u>(140,529)</u> | <u>10,966</u> |

Dakota Electric Association
Statement of Electric Power Automatic Resource
Adjustment Charges (Credits) by Rate Class
For the Twelve Months Ended June 30, 2018

Exhibit C-II

Pg 19 of 19

Rate 81
Commercial 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-17 | 0 | 0.0000 | 0.0030 | 0.0004 | 0.0003 |
| Aug-17 | 0 | 0.0000 | 0.0030 | 0.0004 | 0.0003 |
| Sep-17 | 0 | 0.0000 | 0.0030 | 0.0004 | 0.0003 |
| Oct-17 | 0 | 0.0000 | 0.0030 | 0.0004 | 0.0003 |
| Nov-17 | 0 | 0.0000 | 0.0030 | 0.0004 | 0.0003 |
| Dec-17 | 0 | 0.0000 | 0.0030 | 0.0004 | 0.0003 |
| Jan-18 | 0 | 0.0000 | 0.0007 | 0.0005 | 0.0000 |
| Feb-18 | 0 | 0.0000 | 0.0007 | 0.0005 | 0.0000 |
| Mar-18 | 226 | 0.0000 | 0.0007 | 0.0005 | 0.0000 |
| Apr-18 | 0 | 0.0000 | 0.0007 | 0.0005 | 0.0000 |
| May-18 | 64,333 | 0.0000 | 0.0007 | 0.0005 | 0.0000 |
| Jun-18 | 58,881 | 0.0000 | 0.0007 | 0.0005 | 0.0000 |
| | 123,440 | | | | |

| (G) | (H) | (I) | (J) | (K) | (L) |
|--------|----------|------------|----------|---------|------------|
| | Electric | Power | DSM & | Total | |
| | Rate | Cost | Tax | Billed | |
| Month | Revenue | Adjustment | Recovery | Revenue | COP Billed |
| Jul-17 | 0 | 0 | 0 | 0 | 0 |
| Aug-17 | 0 | 0 | 0 | 0 | 0 |
| Sep-17 | 0 | 0 | 0 | 0 | 0 |
| Oct-17 | 0 | 0 | 0 | 0 | 0 |
| Nov-17 | 0 | 0 | 0 | 0 | 0 |
| Dec-17 | 0 | 0 | 0 | 0 | 0 |
| Jan-18 | 0 | 0 | 0 | 0 | 0 |
| Feb-18 | 0 | 0 | 0 | 0 | 0 |
| Mar-18 | (7) | 0 | 0 | (7) | 0 |
| Apr-18 | 0 | 0 | 0 | 0 | 0 |
| May-18 | (2,136) | 45 | 32 | (2,059) | 45 |
| Jun-18 | (1,954) | 41 | 29 | (1,884) | 41 |
| | (4,097) | 86 | 61 | (3,950) | 86 |

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, 2019 through 2023

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 2019 through 2023. 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, 2018 THROUGH JUNE 30, 2023**

| YEAR # | MONTH & YEAR | kWh PURCHASES | TOTAL POWER COSTS | COST PER kWh PURCHASED |
|-----------|-----------------|------------------|-------------------------|------------------------------|
|-----------|-----------------|------------------|-------------------------|------------------------------|

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 28th day of August, 2018

/s/ Randy Olson

Randy Olson
Financial Analyst