

RATES FAQ

Dakota Electric Association



Dakota Electric has worked hard over the years to provide the reliable service you want. However, the cost to deliver reliable power is increasing, and as a result, the price you pay for electricity is rising. This isn't news we like to deliver, but we want to make sure you know why electricity prices are increasing and what you can do to reduce the impact to your bills.

***View the detailed proposed rates on the back-page.**

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Your Touchstone Energy® Cooperative 

Dakota Electric filed a rate case with the Minnesota Public Utilities Commission (MPUC) seeking permission to increase overall electric utility revenue by about 4.3%.

What is a rate case?

A rate case is a proceeding before regulators at the Minnesota Public Utilities Commission to get approval to increase rates.

Why did Dakota Electric file a rate case?

Since Dakota Electric's last request for a rate increase in 2014, cost for equipment, labor and materials have continued to increase. These factors, combined with nearly flat electric sales in the last five years, contributed to the need for this filing.

What is the rate filing timeline?

We filed the rate case with the Minnesota Public Utilities Commission on September 19, 2019. It may take the MPUC about a year to review our rate case and make a decision.

*How much will rates increase?

The proposed increase in total cooperative annual revenues is 4.3%. While the effect of the proposed increase on individual bills will vary, the average monthly bill (700 kWh) for a residential member will increase by about \$4.22 from \$94.96 per month to \$99.18 per month. This increase includes a change in the residential fixed charge, which will increase by \$1 per month, from \$9 to \$10.

What are interim rates?

State law allows us to collect higher rates on an interim basis while our rate filing is reviewed. If the MPUC approves our request for a 3.0% interim increase, the additional charge will apply to electricity use beginning in November, for which members will begin receiving bills in December. The interim increase will remain in effect until the MPUC determines final rates. The monthly bill for a typical residential member using 700 kilowatt-hours of electricity will increase about \$2.85 as a result of the proposed interim increase, which will appear on bills as "Interim Rate Adjustment."

If the approved overall total increase is lower than interim rates, we will refund members the difference with interest. If the overall total increase is higher, we will not charge members the difference. For residential and small general service members, the interim adjustment applies to the monthly fixed charge, energy charge and resource and tax adjustment. The interim adjustment also applies to the demand charge for commercial members.

How will this impact my bill?

By participating in energy efficiency rebates and load control programs, and utilizing more methods of conservation, our members have reduced their electricity consumption. The average Dakota Electric residential member in 2019 uses approximately 100 kWh less each month than they did in 2014. The average residential member will spend less per month on their electric bill after the rate increase than they did in 2014. Those members who participate in the conservation programs that Dakota Electric offers have reduced their monthly energy use and see ongoing savings.

How can I reduce my bill?

Dakota Electric Energy Experts® can help you save energy and money. Call 651-463-6243 to talk with an Energy Expert, or visit www.dakotaelectric.com for energy-saving tips.

What if I have questions?

Dakota Electric encourages members to contact us by calling 651-463-6212 or e-mailing rates@dakotaelectric.com. You can also find information on our web site at www.dakotaelectric.com.

PROPOSED CHANGE IN MONTHLY ELECTRIC COSTS				
Member Classification	Average Monthly kWh Use	Current Monthly Bill	Interim Monthly Bill	Proposed Final Monthly Bill
Residential	700	\$94.96	\$97.81	\$99.18
Small General Service	1,000	\$132.90	\$136.89	\$142.00
General Service	16,000	\$1,637	\$1,686	\$1,654

ENERGY (PER KWH) AND DEMAND (PER KW) RATES (INCLUDING RTA)		
Member Classification	Current	Proposed
Residential		
Energy: Summer (June - Aug)	13.33¢	13.79¢
Energy: Other (Sept - May)	11.93¢	12.39¢
Small General Service		
Energy: Summer (June - Aug)	12.94¢	13.75¢
Energy: Other	11.54¢	12.35¢
General Service		
Energy: First 200 kWh per kW	8.01¢	7.76¢
Energy: Next 200 kWh per kW	7.01¢	6.76¢
Energy: Over 400 kWh per kW	6.01¢	5.76¢
Demand: Summer (June - Aug)	\$12.26	\$13.70
Demand: Other (Sept - May)	\$9.16	\$10.60

MONTHLY FIXED CHARGES		
Member Classification	Current	Proposed
Residential	\$9.00	\$10.00
Small General Service	\$14.00	\$15.00
General Service	\$34.00	\$34.00