

Proposed changes for base electricity rates

Dakota Electric Association has asked the Minnesota Public Utilities Commission (MPUC) for permission to increase electric utility rates and service charges. The proposed increase in total cooperative annual revenues will be about 11.0% or \$23.8 million overall.

Interim rates

State law allows us to collect higher rates on a temporary or interim basis while our rate increase request is reviewed. If the MPUC approves our request for a 9.5% or \$20.55 million interim increase, the additional charge will apply to electricity use beginning in March 2025, for which members will begin receiving bills in April 2025. This interim increase appears on your bill as "Interim Rate Adjustment." For Residential and Small General Service members, the interim adjustment applies to the monthly fixed charge, energy charge and resource and tax adjustment.* For General Service members, the interim adjustment also applies to the demand charge for the interim period. The new rates will go into effect at the end of this case.

The interim increase will remain in effect until the MPUC determines final rates. The MPUC is expected to make its decision in 2025. If the approved overall increase is lower than interim rates, we will refund members the difference with interest. If the overall increase is higher, we will not charge members the difference for the interim period. The new rates will go into effect at the end of this case.

What is increasing Dakota Electric's costs?

Since Dakota Electric's last request for a rate increase in 2019, costs for equipment, labor and materials have continued to increase. These factors, and minimal growth in electric sales in the last five years, contributed to the need for this request to increase rates.

How is Dakota Electric controlling costs?

- Using technology and process improvements to increase efficiency.
- Employees do things every day to reduce expenses. They may not produce large savings on their own but when added together, help lower expenses.
- Offering a variety of programs to help members conserve energy and save money.

Impact on monthly bills

While the effect of the proposed increase on your bill will vary depending upon member classification and amount of energy use, the average monthly bill for a residential member will increase by \$13.11 from \$98.41 per month to \$111.52 per month. The charts below provide more detail on the impact of proposed increases for each member classification.

Proposed Change in Monthly Electricity Costs				
Member	Average monthly kWh use	Current monthly bill	Interim monthly bill	Proposed final monthly bill
Residential	700	\$98.41	\$107.13	\$111.52
Small General Service	1,000	\$140.57	\$153.30	\$160.00
General Service	16,000	\$2,408.13	\$2,629.42	\$2,600.70

Energy (per kWh) and Demand (per kW) Rates (including RTA)		
Member classification	Current	Proposed
Residential		
Energy: Summer (June - Aug)	13.77¢	15.06¢
Energy: Other (Sept - May)	12.38¢	13.66¢
Small General Service		
Energy: Summer (June - Aug)	13.74¢	15.30¢
Energy: Other	12.34¢	13.90¢
General Service		
Energy: First 200 kWh per kW	7.80¢	7.92¢
Energy: Next 200 kWh per kW	6.80¢	6.92¢
Energy: Over 400 kWh per kW	5.80¢	5.92¢
Demand: Summer (June - Aug)	\$13.76	\$15.18
Demand: Other (Sept - May)	\$10.66	\$12.08

Monthly Fixed Charges

Member classification	Current	Proposed
Residential	\$10.00	\$13.45
Small General Service	\$15.00	\$17.50
General Service	\$37.00	\$48.00

*The resource and tax adjustment (RTA) is a periodic rate adjustment for changes in wholesale power costs, property and real estate taxes and conservation spending.

Review process

The MPUC will hold public hearings and is seeking written comments about our rate increase request from the public. The public will be able to comment on our rate increase request at public hearings. You may speak at the public hearing, provide written comments, or both for the record. Dakota Electric will provide details about the hearings in local newspapers, in a bill insert and at www.dakotaelectric.com/rates. Comments may be sent directly to the MPUC, see: "How to participate."

More information

Details about proposed rates are available on Dakota Electric's Web site at www.dakotaelectric.com/rates. A complete copy of our filing is also available for review at our Farmington office between 7 a.m. and 4:30 p.m. Monday through Friday. Our office is located at 4300 220th Street West, Farmington, MN.

You may also review our current and proposed rate schedules and our request for new rates by contacting the Department of Commerce at:

Minnesota Department of Commerce
85 7th Place East, Suite 280
St. Paul, MN 55101
Phone: 651-296-9314

Website: <https://www.edockets.state.mn.us/EFiling/search.jsp>. Web address is case sensitive. Click on *Search Documents*, type 24-400 in the box labeled *Docket #s*, then click on the blue *Search* button to see the list of documents.

Dakota Electric will also keep members informed of rate filing developments in our *Circuits* newsletter and at www.dakotaelectric.com/rates. As always, if you have questions or comments for Dakota Electric, contact us at 651-463-6212 or customerservice@dakotaelectric.com.

How to participate

Anyone who wishes to file a petition to intervene in this case should contact:

Minnesota Office of Administrative Hearings
P.O. Box 64620
St. Paul, MN 55164-0620
Phone: 651-361-7900

You do not need to contact the Minnesota Office of Administrative Hearings if you simply want to attend the public hearings, provide oral comments at the public hearings or submit comment letters.

The MPUC is asking customers to comment on Dakota Electric Association's request for a rate increase. Send your comments to:

Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101-2147
Phone: 651-296-0406 or 800-657-3782
E-mail: consumer.puc@state.mn.us

Be sure to reference MPUC Docket No. E-111/GR-24-400 in all correspondence or requests.

You will also have the opportunity to provide written comments directly to the Administrative Law Judge that hears this case during the contested case proceeding.

Citizens with hearing or speech disabilities may call through their preferred Telecommunication Relay Service.

Dakota Electric seeks increase in electric rates

*Interim rates effective with
usage on and after March 1, 2025
until final decision is made.*



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