



## I. Statement of the Issue

Should the Commission accept MP's Business Development Incentive (BDI) Rider annual compliance filing and direct MP to clarify the BDI Rider tariff that a subscriber may receive the BDI discount rate at multiple delivery points as long as each delivery point independently qualifies?

## II. Background

The Commission approved Minnesota Power's (MP's) Business Development Incentive (BDI) Rider in its March 12, 2018 Order in MP's last rate case.<sup>1</sup>

The BDI Rider is available to commercial and industrial customers with new or additional load of 350 kW or greater. Customers receiving the discount are required to sign a six-year electric service agreement, and will receive declining levels of demand charge discounts over the contract period.

In its March 12, 2018 Order the Commission directed MP to file an annual compliance filing on May 1<sup>st</sup> each year (in a new miscellaneous docket) showing the number of customers served on the rider, together with each customer's incremental revenue and costs.

On April 30, 2020, MP submitted its annual compliance filing for the reporting period April 1, 2019 through March 31, 2020. MP reported that it had its first customer begin taking service under the Rider in the April 2019- March 2020 reporting period.

## III. Parties' Comments

### A. Department of Commerce

The Minnesota Department of Commerce, Division of Energy Resources (Department) submitted comments on May 14, 2020. MP has one customer on its BDI Rider who receives discounts at two different delivery points, each of which qualifies for the discount. However, MP's tariff currently states, "for new and existing customers, Qualified Billing Demand is the new load of 350 kW or greater at a single delivery point." The Department recommends that MP add language to its tariff to clarify how discounts apply when a customer receives service at multiple delivery points. Specifically, the Department recommends that the following, or similar, clarifying language be added to MP's tariff, "A subscriber may receive the rate at multiple delivery points as long as each delivery point independently qualifies." The Department notes that the Commission directed Xcel Energy to add similar language to its Business Incentive Service (BIS) Rider tariff that provides discounts in the same manner as MP's BDI Rider (Docket 20-436, scheduled for Commission hearing on the same day as this docket).

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<sup>1</sup> FINDINGS OF FACT, CONCLUSIONS, AND ORDER, *In the Matter of the Application of Minnesota Power for Authority to Increase Rates for Electric Service in Minnesota*, Docket No. E-015/GR-16-664 (March 12, 2018)

## **B. Minnesota Power**

In a letter to the Commission submitted June 15, 2020, MP stated that it agrees to add language to its tariff to clarify that a subscriber may receive the rate at multiple delivery points as long as each delivery point independently qualifies.

## **IV. Staff Analysis**

The Department's recommendation reflects its recommendation in the Xcel case and Staff supports it.

## **V. Decision Options**

- 1) Accept the annual compliance filing and direct MP to clarify its tariff that a subscriber may receive the BDI discount rate at multiple delivery points as long as each delivery point independently qualifies.

## **VI. Staff Recommendation: 1)**