

July 22, 2021

Will Seuffert
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
Saint Paul, Minnesota 55101-2147

RE: **Comments of the Minnesota Department of Commerce, Division of Energy Resources**
Docket No. E016 /GR-21-557

Dear Mr. Seuffert:

Attached are the Comments of the Minnesota Department of Commerce, Division of Energy Resources (Department) in the following matter:

Northwestern Wisconsin Electric Company's Petition to increase its rates to conform with existing Wisconsin rates.

The Petition was filed on July 15, 2021 by:

John J. Richards
President
Northwestern Wisconsin Electric Company
104 South Pine Street, P.O. Box 9
Grantsburg, WI 54840-0009

The Department recommends that the Minnesota Public Utilities Commission (Commission) **approve** the Northwestern Wisconsin Electric Company's Petition. The Department is available to answer any questions that the Commission may have.

Sincerely,

/s/ SUSAN L. PEIRCE
Rate Analyst Coordinator

SLP/ja
Attachment



Before the Minnesota Public Utilities Commission

Comments of the Minnesota Department of Commerce Division of Energy Resources

Docket No. E016/GR-21-557

I. BACKGROUND INFORMATION

On July 20, 2021, Northwestern Wisconsin Electric Company (NWECC or the Company) filed a petition to change its Minnesota electric rates to conform with the rates approved by the Wisconsin Public Service Commission in its June 28, 2021 Order in Docket No. 4280-ER-107 for its Wisconsin jurisdiction. NWECC also requests a waiver from the following Minnesota rules concerning rate increases:

- 7825.3500C Description and Purpose of Change in Rates
- 7825.3900 Jurisdictional Finance Summary Schedule
- 7825.4000 Rate Base Schedules
- 7825.4100 Operating Income Schedules
- 7835.4200 Rate of Return, Cost of Capital Schedule
- 7825.4300C Procedures for Cost and Revenue Allocation
- 7825.4400A Annual Report
- 7825.4400B Schedule Showing Development of Income

Finally, NWECC requests a waiver of Minn. Rules pt. 7820.5500, subp. 2 regarding late payment charges, and that the waiver granted in Docket No. E016/AA-92-1187 regarding the methodology for calculating automatic adjustments (Power Cost Adjustment Clause) be authorized.

II. DEPARTMENT ANALYSIS

NWECC is an investor-owned electric utility serving customers in Northwestern Wisconsin and a small portion of Minnesota. In total, the Company has 14,580 Wisconsin customers and 110 Minnesota customers. Minnesota represents 4.19 percent of the Company's total rate base, and 0.39 percent of its operating revenues. NWECC is requesting approval to increase its rates by 0.51 percent to conform to those set by the Wisconsin PSC in its June 28, 2021 Order in Docket No. 4280-ER-107. The rate increase is summarized in the table below:

Customer Class	Bill under Existing Rates	Bill under Proposed Rates	Percentage Change
Residential	\$69.39	\$69.55	0.22%
Rural	\$74.57	\$74.44	(0.18%)
Commercial	\$65.97	\$66.59	0.94%

Minn. Stat. §216B.16 sets forth the Commission's authority and the procedures for changing rates. Minn. Stat. §216B.16, subd. 12a, exempts small electric utilities from the rate change procedures provided that:

- (a) An electric utility, operating as such in a bordering state and having fewer than 200 customers in Minnesota is exempt from this section if the utility:
 - (1) charges Minnesota customers the same rates as those charged to customers in the bordering state;
 - (2) provides 60-day notice to the commission of rate increases for its Minnesota customers;
 - (3) provides individual, written notice of rate increases to its Minnesota customers;
 - (4) provides the Commission with schedules of rates and tariffs charged in the bordering state and revenues by class under the former and proposed rates; and
 - (5) maintains an up-to-date tariff book with the Department.

With a total of 110 Minnesota customers, NWECC qualifies for an exemption from Minn. Stat. §216B.16. NWECC complies with the requirements for exemption set forth above, and included a proposed written notice of rate increases for its Minnesota customers, as well as a copy of their proposed tariff. Consequently, NWECC does not require a waiver of the Commission's rules regarding rate changes.

Similarly, the Commission does not need to address the issue of the waiver granted in Docket No. E016/AA-92-1187 regarding the methodology for calculating the Power Cost Adjustment Clause since the exemption from the requirements of Minn. Stat. §216B.16 also exempts NWECC from the requirements of Minn. Rules pt. 7825.2400 (specifying the methodology for calculating automatic adjustments).

With respect to the variance to Minnesota Rule 7820.5500, subp. 2 regarding late payment charges, Minn. Rule pt. 7830.4400 allows the Commission to grant a waiver under the following conditions:

- Enforcement of the rule would impose an excessive burden on the applicant or others affected by the rule;
- Granting the variance would not adversely affect the public interest; and
- Granting the variance would not conflict with standards imposed by law.

Minn. Rule pt. 7820.5500, subp 2 prohibits assessment of a late payment charge unless the past due account exceeds \$10. NWECC states that the late payment charge provision represents an excessive administrative burden because it would require the Company to apply a different late payment criteria to its 110 Minnesota customers different from its 14,580 Wisconsin customers. The Department recommends the Commission grant NWECC's request for a variance of Minn. Rules pt. 7820.5500, subp 2 as it would create an administrative burden for the Company and would not conflict with other standards imposed by law.

III. DEPARTMENT RECOMMENDATIONS

The Department recommends that the Commission approve Northwestern Wisconsin Electric Company's request to change its rates to conform with rates approved by the Wisconsin Public Service Commission in its June 28, 2021 Order in Docket No. 4280-ER-107. The Department further recommends the Commission approve the Company's request for a waiver of Minn. Rules pt. 7820.5500, subp 2.

/ja

CERTIFICATE OF SERVICE

I, Sharon Ferguson, hereby certify that I have this day, served copies of the following document on the attached list of persons by electronic filing, certified mail, e-mail, or by depositing a true and correct copy thereof properly enveloped with postage paid in the United States Mail at St. Paul, Minnesota.

**Minnesota Department of Commerce
Comments**

Docket No. E016/GR-21-557

Dated this 22nd day of July 2021

/s/Sharon Ferguson

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
John	Carlson	N/A	Pine County	Pine County Courthouse 635 Northridge Dr NW 200 Pine City, MN 55063	Paper Service Ste	No	OFF_SL_21-557_GR-21-557
Generic Notice	Commerce Attorneys	commerce.attorneys@ag.state.mn.us	Office of the Attorney General-DOC	445 Minnesota Street Suite 1400 St. Paul, MN 55101	Electronic Service	Yes	OFF_SL_21-557_GR-21-557
David	Dahlberg	davedahlberg@nweco.com	Northwestern Wisconsin Electric Company	P.O. Box 9 104 South Pine Street Grantsburg, WI 548400009	Electronic Service	No	OFF_SL_21-557_GR-21-557
Beverly	Dahlberg	bev Dahlberg@nweco.com	Northwestern Wisconsin Electric Co.	104 South Pine Street P O Box 9 Grantsburg, WI 548400009	Electronic Service	No	OFF_SL_21-557_GR-21-557
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 280 Saint Paul, MN 551012198	Electronic Service	No	OFF_SL_21-557_GR-21-557
Mark	LeBrun	N/A	Pine County Courthouse	635 Northridge Dr NW Ste 200 Pine City, MN 55063	Paper Service	No	OFF_SL_21-557_GR-21-557
David	Minke	N/A	Pine County	Pine County Courthouse 635 Northridge Dr NW 200 Pine City, MN 55063	Paper Service Ste	No	OFF_SL_21-557_GR-21-557
Generic Notice	Residential Utilities Division	residential.utilities@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012131	Electronic Service	Yes	OFF_SL_21-557_GR-21-557
John	Richards	johnrichards@nweco.com	Northwestern Wisconsin Electric Company	104 S. Pine St. Grantsburg, WI 54840	Electronic Service	No	OFF_SL_21-557_GR-21-557
Will	Seuffert	Will.Seuffert@state.mn.us	Public Utilities Commission	121 7th Pl E Ste 350 Saint Paul, MN 55101	Electronic Service	Yes	OFF_SL_21-557_GR-21-557

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Larry O.	Stotz, CPA	N/A	Stotz & Company	210 S. Oak St. Grantsburg, WI 54840	Paper Service	No	OFF_SL_21-557_GR-21-557
William	Williams	bwilliams@bmlawyers.com	Bell Moore & Richter SC	345 W. Washington Avenue Suite 302 Madison, Wi 53703	Electronic Service	No	OFF_SL_21-557_GR-21-557