



MINNESOTA FOREST INDUSTRIES

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May 14, 2020

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

Subject:

PUC Docket No. E-015/M-20-429 – Emergency Petition of Minnesota Power for Approval to Move Asset-Based Wholesale Sales Credits to the Fuel Adjustment Clause and Resolve Rate Case

PUC Docket No. E-015/GR-19-442 – Application of Minnesota Power for Authority to Increase Electric Service Rates in Minnesota

PUC Docket No. E-015/M-16-564 - Minnesota Power's Revised Petition for a Competitive Rate for Energy-Intensive Trade-Exposed (EITE) Customers and an EITE Cost Recovery Rider

Dear Mr. Seuffert:

On behalf of 32,000 men and women who work in the woods and mills of Minnesota's forest products industry, and the industry's large power users, thank you for the opportunity to provide feedback in this docket. Minnesota Forest Industries is an association representing the companies that manufacture pulp, paper, and wood products from our state's resilient and renewable forests.

Like the mining sector, Minnesota's forest products industry is essential to the economy in rural areas. Both industries are energy intensive and both are subject to substantial competition from producers outside the state.

That is why MS 216B.1696, which establishes the legal framework for Energy-Intensive Trade-Exposed rates, was passed into law in 2015. MFI members appreciate the Commission approving this tariff in December 2016. MFI members also appreciate the response to the COVID-19 crisis, with Minnesota Power's announced increases reduced to accelerate resolution of its current rate review case.

Unfortunately, the proposal would allow the EITE-Rate Schedule to expire February 1, 2021. If the EITE-Rate Schedule is permanently terminated, it will result in permanent rate increases for manufacturers that provide thousands of jobs in rural Minnesota. Ending the EITE-Rate Schedule would also openly contradict the EITE statute, which specifically notes that state energy policy is to ensure competitive electric rates for EITE ratepayers like the members of MFI. Eliminating EITE rates would fail to match the spirit with the letter of the 2015 law. It would also threaten an industry facing unparalleled economic challenges because of COVID-19 and increasingly uncompetitive electric rates that have risen more than 60 percent over the past twelve years. For these reasons, MFI urges the Commission to extend the EITE-Rate Schedule consistent with Minnesota statute.

Extending the existing EITE-Rate Schedule would be consistent with the Commission's mission "to create and maintain a regulatory environment that ensures safe, adequate and efficient utility services at fair, reasonable rates consistent with State telecommunications and energy policies." For the thousands of employees of large power users, fair and reasonable commercial rates, and rates consistent with the intent of the EITE, ensure the ability of mill employees to pay individual residential electric bills each month as a result of ongoing paychecks from healthy, competitive employers.

The extension of the EITE-Rate Schedule is a key issue for the forest products industry. MFI respectfully requests that the Commission direct Minnesota Power to implement the second procedural extension of the EITE-Rate Schedule.

MFI also suggests that the Commission evaluate further rate design relief for large power customers, such as an updated TOU tariff.

We appreciate the time and effort that went into the coordination amongst these various dockets. On behalf of an industry that employs thousands and manufactures energy intensive products that benefit our state, our country, and the world, thank you for your consideration.

Regards,

A handwritten signature in black ink, appearing to read "Mike Birkeland". The signature is fluid and cursive, with the first name "Mike" written in a larger, more prominent script than the last name "Birkeland".

Mike Birkeland
Executive Vice President
Minnesota Forest Industries

