

The Commission met on **Thursday, March 9, 2017**, with Chair Lange and Commissioners Lipschultz, Schuerger, Sieben, and Tuma present.

The following matters were taken up by the Commission:

**E, ET, IP-999/R-12-1246**

**In the Matter of Possible Amendments to Rules Governing Certificates of Need and Site and Route Permits for Large Electric Power Plants and High-Voltage Transmission Lines, Minnesota Rules Chapters 7849 and 7850, and to Rules Governing Notice Plan Requirements for High-Voltage Transmission Lines, Minnesota Rules Part 7829.2550.**

Commissioner Lipschultz moved that the Commission table consideration of the proposal of the drafts and direct staff to issue a notice soliciting comments and reply comments after which the draft rules will come back to the Commission for consideration with the opportunity for oral argument.

The motion passed 5–0.

**E-015/M-16-564**

**In the Matter of a Revised Petition by Minnesota Power (MP) for a Competitive Rate for Energy-Intensive Trade-Exposed (EITE) Customers and an EITE Cost-Recovery Rider**

Commissioner Lipschultz moved to take the following actions:

1. Allow MP to collect a surcharge from non-EITE customers other than those exempted based on income as determined by the Commission.
2. Require MP to distribute the Energy Charge Credit (ECC) expense as a single per-kWh charge applicable to all customers.
3. Require MP to identify the ECC surcharge as a separate line item on customer bills, and to track and report on the number of customer complaints, both oral and written, regarding the ECC surcharge with its other annual reporting beginning February 1, 2018.
4. Grant the Executive Secretary authority to approve the notice that MP proposes to send to customers that may seek EITE-exemption on the grounds of LIHEAP eligibility.
5. Clarify that MP must, in its annual report, identify which specific provision of statute qualifies each customer for EITE exemption.

6. Grant the Executive Secretary authority to approve the notice that MP proposes to send to customers that may seek EITE-exemption on the grounds that they meet the statutory definition of an EITE-eligible customer.
7. Require MP to submit a compliance filing within 30 days incorporating the Commission's decisions regarding the above matters.
8. Require that the surcharge be calculated as proposed by MP to reflect the difference between the EITE-customer revenue received under the EITE rate schedule and the higher revenue the utility would have received under the prior rate applicable to those customers.
9. Require that MP refund revenue increases associated with the rate schedule as proposed by the Office of the Attorney General on page 13 of its January 31, 2017 comments in this docket with the following additions/clarifications:
  - a. Use the actual 2016 calendar-year EITE-customer revenue as the baseline for calculating the extent of any refundable increases;
  - b. Base the refund on net revenue increases; and
  - c. Require MP to make a compliance filing within 30 days setting forth the surcharge and refund mechanisms in detail, including the baseline gross revenue for 2016 and the methodology for determining net revenue increases.
10. Require MP to provide more information, including Company-directed outreach efforts and updated information from the Company's survey, to identify LIHEAP-eligible customers in its 30-day and annual compliance filings.
11. Require MP, if it determines that it has been collecting an EITE surcharge from a low-income residential ratepayer, to remove the additional charge from the customer's bill immediately and refund, with interest, any surcharges collected while the individual was eligible, for up to one year. The customer shall be notified that they may file a complaint with the Commission to request a variance from the Commission's rate refund rules to collect additional surcharges paid in excess of the one-year lookback noted above. This notice shall be approved by the Executive Secretary.

The motion passed 5–0.

Commissioner Tuma moved to require the following customer-notification measures:

1. **Notice Requirement.** Before Minnesota Power may collect an EITE surcharge from any customer, the Company must place an insert in all customer bills:

- explaining the statutory authority it used to implement the surcharge,
- providing its rationale for the EITE rate and surcharge,
- listing the names of the companies receiving the EITE rate,
- describing the overall impact on all the ratepayers,
- providing the anticipated monthly and annual impact on the ratepayer receiving the notice,
- explaining the exemptions along with the process for customers to obtain those exemptions, and
- explaining the process to file any complaints with Minnesota Power.

The notice shall be approved by the Executive Secretary.

2. **Billing Requirements.** There shall be a separate line on each customer bill identifying the “EITE Surcharge” being paid by the customer. Each bill shall contain explanation of the Surcharge with the text, form, and placement to be approved by the Executive Secretary. The notice shall at a minimum contain the following:

EITE Surcharge is to pay for special reduced electric rates of 11 large industrial customers pursuant to a law passed by the Minnesota legislature in 2015 (Minn. Stat. § 216B.1696). The legislature allowed Minnesota Power to implement this surcharge on the ratepayers to recover the cost of lowered rates of these 11 large industrial customers because they are “Energy Intensive Trade Exposed” (EITE) companies. The 11 companies receiving the special lower rate paid for by the surcharge are:

[name companies]

Any complaints regarding this EITE Surcharge should be directed to Minnesota Power at [location for complaints to be sent in by phone, email, and mail].

**Exemption from EITE Surcharge.** You may be entitled to an exemption from the surcharge. Minn. Stat. § 216B.1696 prohibits Minnesota Power from collecting the surcharge from low-income residential ratepayers. To determine if you qualify for this exemption you can contact Minnesota Power at [location for low-income exemption request to be sent in by phone, email, and mail].

The above exemption bill language only needs to be placed on residential ratepayers' bills.

The motion passed 5–0.

Commissioner Lipschultz moved to reconsider item 11 of his earlier motion.

The motion passed 5–0.

Commissioner Tuma moved the following language in place of item ten of Commissioner Lipschultz's motion:

Require MP, if it determines that it has been collecting an EITE surcharge from a low-income residential ratepayer, to remove the additional charge from the customer's bill immediately and refund, with interest, any surcharges collected while the individual was eligible, for up to three years. The customer shall be notified that they may file a complaint with the Commission to request a variance from the Commission's rate refund rules to collect additional surcharges paid in excess of the three-year lookback noted above. This notice shall be approved by the Executive Secretary.

The motion passed 5–0.

There being no further business, the meeting was concluded.

**APPROVED BY THE COMMISSION: May 10, 2017**

A handwritten signature in black ink that reads "Daniel P. Wolf". The signature is written in a cursive, flowing style.

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**Daniel P. Wolf, Executive Secretary**