

**BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION
SUITE 350
121 SEVENTH PLACE EAST
ST. PAUL, MINNESOTA 55101-2147**

Nancy Lange	Chair
Dan Lipschultz	Commissioner
Matthew Schuerger	Commissioner
Katie Sieben	Commissioner
John Tuma	Commissioner

IN THE MATTER OF THE APPLICATION
OF MINNESOTA POWER FOR
AUTHORITY TO INCREASE RATES FOR
ELECTRIC UTILITY SERVICE IN
MINNESOTA

MPUC Docket E-015/GR-16-664

OAH Docket No. 5-2500-34078

**RESPONSE OF THE MINNESOTA DEPARTMENT OF COMMERCE,
DIVISION OF ENERGY RESOURCES TO THE LARGE POWER INTERVENORS'
PETITION FOR RECONSIDERATION**

INTRODUCTION

On March 12, 2018, the Minnesota Public Utilities Commission (Commission) issued its Findings of Fact, Conclusions, and Order (Rate Case Order) and on March 30, 2018 the Large Power Intervenors (LPI) filed a Petition for Reconsideration (Petition) under Minn. R. 7829.3000, subp. 1 (2017). The Minnesota Department of Commerce, Division of Energy Resources (Department) files an Answer to the Petition pursuant to Minn. R. 7829.3000, subp. 4.

In the Petition, LPI asks the Commission to reconsider its Rate Case Order regarding the following issues:

1. Shift of Revenue from the Rate Case to the EITE Docket;
2. Apportionment of Revenue Responsibility; and

3. Rate Design for Time of Use Rates and the Large Power Incremental Production Service Rider.

The Department recommends that the Petition should be denied in its entirety for all of these issues.

ANALYSIS

LPI has not demonstrated that the Commission should take up its Petition. Under the Commission's Rules, "[a] petition for rehearing, amendment, vacation, reconsideration, or reargument must set forth specifically the grounds relied upon or errors claimed." Minn. R. 7829.3000, subp. 2. In general, the Commission has taken up a petition for reconsideration that raises new issues, points to new and relevant evidence, exposes errors or ambiguities in the Commission's order, persuades the Commission that it should rethink the decisions set forth in its order, or where the Commission concludes that its decision is inconsistent with the facts, the law, or the public interest.¹

After review of LPI's Petition to determine whether it raised significant new issues, pointed to new and relevant evidence, or exposed errors in the Rate Case Order, the Department has determined that LPI has not done so regarding any of the issues raised in the Petition. In addition, notwithstanding the Department's request that the Commission reconsider its order with regard to the remaining lives of Boswell Units 3, 4, and Common Facilities in order to

¹ *In re Application of Enbridge Energy, Ltd. P'ship for a Certificate of Need for the Line 3 Replacement Project in Minn. from the N.D. Border to the Wis. Border*, Docket No. PL-9/CN-14-916, and *In re Application of Enbridge Energy, Ltd. P'ship for a Routing Permit for the Line 3 Replacement Project in Minn. from the N.D. Border to the Wis. Border*, Docket No. PL-9/PPL-15-137, Order Denying Reconsideration, (MPUC Oct. 10, 2017); *In re Application of Minnkota Power Coop., Inc. for a Route Permit for the MPL-Laporte 115 KV Transmission Line Project in Clearwater and Hubbard Cntys.*, Docket No. ET-6/TL-16-327, Order Denying Reconsideration (MPUC Aug. 11, 2017); *In re Application of CenterPoint Energy Res. Corp. d/b/a CenterPoint Energy Minn. Gas for Auth. to Increase Natural Gas Rates in Minn.*, Docket No. G-008/GR-15-424, Order Denying Reconsideration (MPUC Aug. 9, 2016).

address revenue-requirement implications of the 2017 Tax Cuts and Jobs Act, the Department does not agree that LPI has demonstrated that the Commission's Rate Case Order is inconsistent with the facts, the law, or the public interest.

Regarding application of the EITE statute, The Commission has similarly rejected LPI's arguments that it provided in a separate petition for reconsideration in the EITE Docket (Docket No. E-015/M-16-564) regarding application of the EITE statute.² There, as in the Petition, LPI argued that the Commission-authorized tracker and recovery/refund rider implementation was inconsistent with the EITE statute. LPI argued that the application of a baseline year for calculating reduced or increased revenues associated with the EITE rate is inconsistent with the statute. LPI also argued that EITE customers would be partially paying for their own refund. The Commission rejected LPI's arguments.

The Department concludes that further reconsideration of issues stemming from application of the EITE statute resolved in the Rate Case Order is unwarranted, as is reconsideration of issues related to apportionment of revenue responsibility or rate design.

² *In re Minn. Power's Revised Petition for a Competitive Rate for Energy-Intensive Trade-Exposed (EITE) Customers and an EITE Cost Recovery Rider*, Docket No. E-015/M-16-564, Initial Order Denying Reconsideration (MPUC Jan. 2, 2018); *In re Minn. Power's Revised Petition for a Competitive Rate for Energy-Intensive Trade-Exposed (EITE) Customers and an EITE Cost Recovery Rider*, Docket No. E-015/M-16-564, Order Denying Reconsideration (MPUC Feb. 7, 2018).

CONCLUSION

For the above reasons, the Department respectfully requests that the Commission deny the Petition in its entirety.

Dated: April 9, 2018

Respectfully submitted,

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