



November 12, 2021

**VIA E-FILING**

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

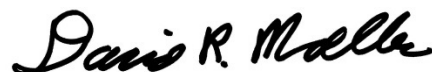
**Re:** In the Matter of Minnesota Power's Petition  
for Approval of a Variance to the Customer  
Service Rules Governing Billing Errors  
Docket No. E015/M-21-\_\_\_\_  
**PETITION**

Dear Mr. Seuffert:

Minnesota Power (or, "the Company") hereby submits, via electronic filing, a Petition seeking approval of a variance to the Minn. Rules 7820.3800 (Billing Errors Rule) and a one-time modification to Company Billing Errors – Remedy for Overcharge Section 51.A of its Electric Service Regulations, approving a refund to a customer for an overcharge during the billing period October 2014 – May 2021. This overcharge was due to a change to the customer's metering that did not get updated on the customer's account and resulted in a double billing for service.

If you have any questions regarding this filing, please contact me at (218) 723-3963 or [dmoeller@allte.com](mailto:dmoeller@allte.com).

Yours truly,



David R. Moeller  
Senior Attorney and  
Director of Regulatory Compliance

DRM:th  
Attach.

**STATE OF MINNESOTA  
BEFORE THE  
MINNESOTA PUBLIC UTILITIES COMMISSION**

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In the Matter of Minnesota Power's Petition  
for Approval of a Variance to the Customer  
Service Rules Governing Billing Errors

Docket No. E015/M-21-\_\_\_\_

**PETITION OF MINNESOTA POWER**

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**SUMMARY OF FILING**

Pursuant to Minn. Rules 7829.3200, Minnesota Power (or, "the Company") hereby files with the Minnesota Public Utilities Commission ("MPUC" or "Commission") a Petition requesting approval of a variance to the Minn. Rules 7820.3800 (Billing Errors Rule) and a one-time modification to Company Billing Errors – Remedy for Overcharge Section 51.A of its Electric Service Regulations, approving a refund to a customer for an overcharge during the billing period October 2014 – May 2021.

**STATE OF MINNESOTA  
BEFORE THE  
MINNESOTA PUBLIC UTILITIES COMMISSION**

In the Matter of Minnesota Power's Petition  
for Approval of a Variance to the Customer  
Service Rules Governing Billing Errors

Docket No. E015/M-21-\_\_\_\_

**PETITION OF MINNESOTA POWER**

**I. INTRODUCTION**

Pursuant to Minn. Rules 7829.3200, Minnesota Power (or, "the Company"), respectfully requests the Minnesota Public Utilities Commission ("Commission") approve a variance to the Minn. Rules 7820.3800 (Billing Errors Rule) and a one-time modification to Company Billing Errors – Remedy for Overcharge Section 51.A of its Electric Service Regulations, approving a refund to a customer for an overcharge during the billing period October 2014 – May 2021. This overcharge was due to a change to the customer's metering that did not get updated on the customer's account and resulted in a double billing for service.

**II. SUMMARY OF FILING**

Pursuant to Minn. R. 7829.1300, subp. 1, a one-paragraph summary is included with this filing.

**III. SERVICE ON OTHER PARTIES**

Pursuant to Minn. R. 7829.1300, subp. 2 and Minn. Stat. § 216.17, subd. 3, Minnesota Power has electronically filed this document and served a copy of this filing on the Minnesota Department of Commerce, Division of Energy Resources and the Office of Attorney General, Antitrust and Utilities Division. A summary of the filing prepared in accordance with Minn. Rules 7829.1300, subp. 1, was served on all parties on the Company's general service list.

#### **IV. GENERAL FILING INFORMATION**

Pursuant to Minn. R. 7829.1300, subp. 3, the Company provides the following general information.

**A. Name, Address, and Telephone Number of Utility  
(Minn. Rules 7829.1300, subp. 3(A))**

Minnesota Power  
30 West Superior Street  
Duluth, MN 55802  
(218) 722-5642

**B. Name, Address, and Telephone Number of Utility Attorney  
(Minn. Rules 7829.1300, subp. 3(B))**

David Moeller  
Senior Attorney & Director of Regulatory Compliance  
Minnesota Power  
30 West Superior Street  
Duluth, MN 55802  
(218) 723-3963

**C. Date of Filing  
(Minn. Rules 7829.1300, subp. 3(C))**

The date of this filing is November 12, 2021. The Company requests approval of the proposed variance to Minn. Rules 7820.3800 and one-time modification to the Company Billing Errors – Remedy for Overcharge Section 51.A of its Electric Service Regulations to be effective immediately upon issuance of the Commission’s Order granting our Petition.

**D. Statute Controlling Schedule for Processing the Filing  
(Minn. Rules 7829.1300, subp. 3(D))**

This Petition is made pursuant to Minn. Stat. § 216B.16, subd. 1, which prescribes general timelines for rate and tariff changes, including, but not limited to, a requirement of 60-days’ notice prior to any rate or tariff change.

Commission Rules define this filing as a “miscellaneous tariff filing” under Minn. R. 7829.0100, subp. 11, since no determination of Minnesota Power’s overall revenue requirement is necessary. Minn. Rules 7829.1400, subp. 1 and 4 permit comments in response to a miscellaneous filing to be filed within 30 days and reply comments to be filed no later than 10 days thereafter.

**E. Utility Employee Responsible for Filing**

**(Minn. Rules 7829.1300, subp. 3(E))**

David Moeller  
Senior Attorney & Director of Regulatory Compliance  
Minnesota Power  
30 West Superior Street  
Duluth, MN 55802  
(218) 723-3963

**F. Service List.**

Pursuant to Minn. R. 7829.0700, the Company requests that the following persons be placed on the Commission’s official service list for this proceeding:

David Moeller  
Senior Attorney &  
Director of Regulatory Compliance  
Minnesota Power  
30 West Superior Street  
Duluth, MN 55802  
[dmoeller@allete.com](mailto:dmoeller@allete.com)

Tina S. Koecher  
Manager – Customer Experience  
Operations  
Minnesota Power  
30 West Superior Street  
Duluth, MN 55802  
[tkoecher@mnpower.com](mailto:tkoecher@mnpower.com)

**V. DESCRIPTION OF FILING**

**A. Background**

In October 2014, the customer moved from main facility metering (single meter) to individual unit metering (multiple meters). The individual meters were installed for separate billing to renters, but the main meter was not taken out of service and continued to bill. This resulted in double billing. The customer inquired about large bills in December 2014, two months after the individual unit metering was installed. Despite multiple site visits and account reviews, the double billing from the main meter was not identified for

correction until May 2021. This error resulted in an overcharge of \$73,282.51, covering the period from October 2014 through May 2021.

## B. Company Action

The Company removed the main meter on May 4, 2021, and the associated service agreement was ended. On June 16, 2021, a refund was issued for the maximum of three years from the date of discovery, as allowed under Minn. Rules 7820.3800 and the Company Billing Errors – Remedy for Overcharge Section 51.A of its Electric Service Regulations. The refunded amount, totaling \$37,861.03, was issued to the Customer. This included interest, with a current bill owing at the time subtracted from the refund. The Company has calculated and provided the refund amounts in accordance with Minn. Rules 7820.3800 and calculated interest consistent with Minn. Stat. § 325E.02(b). Table 1 below shows the total overbilled and corresponding interest amounts (as known) owed to the customer for the periods within and exceeding the Commission’s Billing Errors Rule. Interest for the period exceeding the three year date of discovery period will be calculated at the time of the Commission’s Order on this matter, assuming approval of this request. An estimate of interest is provided in Table 1.

<b>Table 1</b>				
<b>Time Period</b>	<b>Principal Amount Overbilled</b>	<b>Adjustments</b>	<b>Interest</b>	<b>Total</b>
<i>Within</i> Commission Rules and Tariff period: June 2018 – May 2021	\$39,019.27	(\$447.81) Interim rate refund; tax reform credits (823.64) Amount due – outstanding May 2021 bill	\$113.21	\$37,861.03
<i>Exceeding</i> Rules and Tariff Period: October 2014 – May 2018	\$36,194.78	(660.09) Interim rate refund; tax reform credits	\$243.88 (estimated)	\$35,778.57 (w/estimated interest)

## C. Applicable Law

Minn. Rules 7820.3800, subp. 1, provides the criteria for remedy of billing errors related to electric bills, and provides in relevant part:

*When a customer has been overcharged or undercharged as a result of incorrect reading of the meter, incorrect application of rate schedule, incorrect connection of the meter, application of an incorrect multiplier or constant or other similar reasons, the amount of the overcharge shall be refunded to the customer...*

Minnesota Power overcharged the customer for a meter that remained in service that should have been taken out of service and stopped billing.

Minn. Rules 7820.3800, subp. 2, provides the method of calculating and the time period for providing refunds associated with billing errors to customers and states in relevant part:

*[T]he utility shall calculate the difference between the amount collected for service rendered and the amount the utility should have collected for service rendered, plus interest, for the period beginning three years before the date of discovery...*

The Company has calculated the amount that was billed and should not have been collected for the period applicable to the error.

Minn. Rules 7820.3800, subp. 4, provides an exception if the error date is known and states in relevant part:

*If the date the error occurred can be fixed with reasonable certainty, the remedy shall be calculated on the basis of payments for service rendered after that date, but in no event for a period beginning more than three years before the discovery of an overcharge...*

The date of the error is known and Minnesota Power is able to calculate the remedy; however, the duration is beyond the three years specified in Minn. Rules. As such, the Company consulted with the Commission's Consumer Affairs Office and the Department of Commerce regarding applicability of a variance and received positive affirmation that a variance request should be submitted for consideration.

## **VI. REQUEST FOR VARIANCE**

In this Petition, Minnesota Power seeks authority to refund charges and interest associated with the over-billing to the Customer, beyond the three-year limitations contained in the Billing Errors Rule. Minnesota Power believes the circumstances of this billing error warrant that the Customer should receive a full and complete refund of the overcharges. Therefore, based upon the foregoing, Minnesota Power requests a variance to the Billing Errors Rule and a one-time modification to our Billing Adjustments tariff to allow a refund of the over-billing in excess of the Rule's limitation period. Minn. Rules 7829.3200 sets forth the criteria for evaluating variance requests:

- (1) Enforcement of the rule would impose an excessive burden upon the applicant or others affected by the rule.
- (2) Granting the variance would not adversely affect the public interest.
- (3) Granting the variance would not conflict with standards imposed by law.

Minnesota Power believes that its request satisfies these criteria.

### **A. Enforcement of the Rule Would Impose an Excessive Burden on Customer.**

Given that the billing inaccurately occurred through no fault of the customer, and the fact that Minnesota Power acknowledges that a billing inaccuracy occurred, strict enforcement of Minn. Rules 7820.3800 would be an excessive burden on the customer by limiting the refund for the total over-billed amount.

### **B. Granting the Variance Does Not Adversely Affect the Public Interest.**

Granting the waiver as requested does not adversely affect the public interest. The variance in this instance would also not impose an excessive burden on Minnesota Power. The variance would instead further the public interest by allowing Minnesota Power to appropriately refund the inadvertent overbillings owed to the Customer, and the variance would not affect other customers. The public interest is adequately protected where the utility customer is held harmless from an incident such as this, and where the amount at issue is reasonably verifiable.

**C. Granting the Variance would not Conflict with Standards Imposed by Law.**

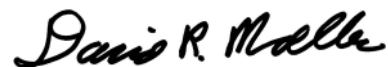
Minnesota Power is not aware of any conflict with any standards imposed by law. Indeed, the rules expressly contemplate waivers under circumstances like those presented here. The Commission has, on several occasions, granted variances to the limitation on refunds for over-billings.

**VII. CONCLUSION**

Based on the facts set forth in this Petition, Minnesota Power requests that the Commission grant a variance to Minn. Rules 7820.3800 (Billing Errors Rule) and a one-time modification to Company Billing Errors – Remedy for Overcharge Section 51.A of its Electric Service Regulations, approving a refund to a customer for an overcharge during the billing period October 2014 – May 2021.

Dated: November 12, 2021

Respectfully submitted,

A handwritten signature in black ink that reads "David R. Moeller". The signature is written in a cursive, flowing style.

David R. Moeller  
Senior Attorney and Director of  
Regulatory Compliance  
Minnesota Power  
30 West Superior Street  
Duluth, MN 55802  
(218) 723-3963

STATE OF MINNESOTA     )  
                                      ) ss  
COUNTY OF ST. LOUIS     )

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AFFIDAVIT OF SERVICE VIA  
ELECTRONIC FILING

Tiana Heger of the City of Duluth, County of St. Louis, State of Minnesota, says that on the 12<sup>th</sup> day of November, 2021, she served Minnesota Power's Initial Filing in **Docket No. E015/M-21-\_\_\_** on the Minnesota Public Utilities Commission and the Energy Resources Division of the Minnesota Department of Commerce via electronic filing. The persons on E-Docket's Official Service List for this Docket were served as requested.



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Tiana Heger