

July 20, 2020

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

RE: **Letter in lieu of Comments of the Minnesota Department of Commerce, Division of Energy Resources**
Docket Nos. E015/GR-19-442 and E015/M-20-429

Dear Mr. Seuffert:

On April 23, 2020, Minnesota Power (Minnesota Power or the Company) filed a petition (Petition) with the Minnesota Public Utilities Commission (Commission) with a proposal (Resolution Proposal) to resolve and ultimately withdraw its general rate case in Docket No. E015/GR-19-442 (the 2019 Rate Case). In the Resolution Proposal, the Company proposed to refund all interim rates collected from January 1, 2020 through April 30, 2020, such that the effective base rates for that period would be the base rates determined in Minnesota Power's last completed rate case, (Docket No E015/GR-16-664, or the 2016 Rate Case) with one adjustment, to remove from base rates the \$35 million offset for the sale of power to Basin Electric Cooperative, to reflect the end of that contract.

On June 30, 2020, the Commission issued its Initial Order Approving Petition and Resolving Rate Case with Conditions (June 30 Order). The June 30 Order contains background and the Commission's Findings and Conclusions. An order setting forth the Commission's rationale is forthcoming. In part, the June 30 Order required the following:

Minnesota Power shall submit a compliance filing within ten days of the final order including –

- A. final rates and all related tariff changes;
- B. supporting spreadsheets with formulas; and
- C. a brief narrative explaining all changes to the rate calculations made since Minnesota Power's April 30, 2020 supplemental filing in this docket.

On July 1, 2020, Minnesota Power filed a partial Compliance Filing in response to the Commission's June 30 Order. The partial Compliance Filing contained clean and red-lined tariff pages updated with final rates reflecting the requirements of the June 30 Order.

On July 6, 2020, Minnesota Power supplemented its July 1, 2020 filing with tariff sheets that had been omitted from the July 1 filing.

On July 10, 2020, Minnesota Power made a compliance filing pursuant to the requirements of the June 30 Order listed above. On July 17, 2020, Minnesota Power supplemented its compliance filing with a corrected version of one of the attachments.

The Department has reviewed Minnesota Power's July 10 compliance filing. After review the Department concludes that the new rates reasonably reflect the Commission's June 30 Order. Therefore, the tariffs included in the July 1, 2020 compliance filing may be placed in Minnesota Power's Tariff book with no further action by the Commission.

In addition, the Department notes that on June 8, 2020, Minnesota Power filed its Interim Rate Refund Plan in the 2019 Rate Case Docket, pursuant to the Commission's June 4, 2020 vote.

On July 8, 2020, the Department filed comments on Minnesota Power's Interim Rate Refund Plan in which it concluded that the plan was generally reasonable, but requested that the Commission delay action on the plan until after the Department reviewed the Company's July 10 compliance filing. Because the Department has no additional concerns related to the July 10 compliance filing, the Department recommends approval of the Interim Rate Refund Plan.

The Department is available to answer any questions the Commission may have.

/s/ CRAIG ADDONIZIO
Financial Analyst

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