

September 22, 2020

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

RE: **Comments of the Minnesota Department of Commerce, Division of Energy Resources**
Docket No. E015/M-16-564

Dear Mr. Seuffert:

On September 4, 2020, the Minnesota Public Utilities Commission (Commission) issued a *Notice of Comment Period* seeking comment on Minnesota Power Company's (MP or the Company) request for an extension to its Energy-Intensive Trade-Exposed (EITE) Rider until final rates are in place in the Company's next rate case. MP expects to file a new rate case no later than November 1, 2021. The Minnesota Department of Commerce (Department) offers the following comments.

The Department recommends **approval** of Minnesota Power's request to extend its EITE Rider, and is available to answer any questions the Commission may have.

Sincerely,

/s/ SUSAN L. PEIRCE
Public Utilities Rates Coordinator

SLP/ja
Attachment



Before the Minnesota Public Utilities Commission

Comments of the Minnesota Department of Commerce
Division of Energy Resources

Docket No. E015/M-16-564

I. BACKGROUND

On December 21, 2016, the Minnesota Public Utility Commission issued its ORDER APPROVING EITE¹ RATE, ESTABLISHING COST RECOVERY PROCEEDING, AND REQUIRING ADDITIONAL FILINGS (EITE Order) in this Docket.

On April 20, 2017, the Commission issued its ORDER AUTHORIZING COST RECOVERY WITH CONDITIONS.

On October 7, 2019, Minnesota Power filed a letter requesting that the Commission grant an extension of the EITE Rider until new final rates in the Company's 2020 general rate case take effect.

In its March 17, 2020 ORDER APPROVING RIDER EXTENSION WITH CONDITIONS, the Commission granted MP's requested extension "with the condition that Minnesota Power is prohibited from recovering any EITE-related costs through any potential surcharge from non-EITE customers after February 1, 2021."

On June 30, 2020, the Commission issued its INITIAL ORDER APPROVING PETITION AND RESOLVING RATE CASE WITH CONDITIONS in Minnesota Power's (MP or the Company) 2019 rate case (Docket No. E015/GR-19-442) and this docket.

On August 31, 2020, MP filed a petition to extend its Energy Intensive Trade Exposed Tariff (EITE) and Rider.

II. SUMMARY OF THE FILING

Minn. Stat. §216B.1691 permits MP to offer a discounted rate through an EITE tariff to customers in the iron mining, steel mill and paper industries. In its December 21, 2016 Order,² the Commission approved MP's EITE tariff with a four-year term expiring in February 2021.

¹ EITE means energy-intensive, trade exposed.

² In the Matter of a Revised Petition by Minnesota Power for a Competitive Rate for Energy-Intensive Trade-Exposed (EITE) Customers and an EITE Cost Recovery Rider, *Order Approving EITE Rate, Establishing Cost Recovery Proceeding and Requiring Additional Filings*, E015/M-16-564, December 21, 2016.

As part of MP's resolution to resolve and withdraw in 2019 rate case (Docket No. E015/GR-19-442), the Commission maintained the current EITE rider rate discount through February 1, 2021 and directed MP to work with stakeholders to bring forward a proposal by August 31, 2020 to extend the EITE rider rate discount.

The current filing represents MP's request to extend the EITE rider rate discount until final rates are in place in its next rate case. MP states that it expects to file its next general rate case no later than November 1, 2021. Rate cases are typically reviewed on a ten-month timeframe (with extensions when multiple rate cases are filed); coupled with additional time for implementation of rates.

III. DEPARTMENT ANALYSIS

The Department reviewed MP's request to extend its EITE discount until the completion of its next rate case, and does not have any objections to the request. The industries to which the EITE discount applies have been affected by the poor economic conditions resulting from the COVID-19 pandemic. Extending the discount until completion of MP's next rate case would be consistent with the goals of the Commission's docket to consider efforts to assist in Minnesota's economic recovery from the pandemic.³

To date, MP has not requested recovery of any of the EITE discounts from other customers, and commits in this filing to continue not to seek recovery of the EITE discount for the duration of the extension being requested. MP's willingness to forgo seeking recovery of its EITE discount mitigates any impact to other customers. The Department recommends approval.

IV. DEPARTMENT RECOMMENDATION

The Department recommends that the Commission approve Minnesota Power's request to extend its EITE rate discount until the completion of its next rate case.

/ja

³ *In the Matter of an Inquiry into Utility Investments that May Assist in Minnesota's Economic Recovery from the COVID-19 Pandemic*, Docket No. E,G-999/CI-20-492.

CERTIFICATE OF SERVICE

I, Sharon Ferguson, hereby certify that I have this day, served copies of the following document on the attached list of persons by electronic filing, certified mail, e-mail, or by depositing a true and correct copy thereof properly enveloped with postage paid in the United States Mail at St. Paul, Minnesota.

Minnesota Department of Commerce
Comments

Docket No. E015/M-16-564

Dated this **22nd** day of **September 2020**

/s/Sharon Ferguson

[illegible]

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