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Minnesota Attorney General Keith Ellison
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July 23, 2021

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

Re: *In the Matter of a Petition by Minnesota Power for the Approval of Deferred Accounting Treatment for Approved EV Program Costs*
MPUC Docket No. E-015/M-21-349

Dear Mr. Seuffert:

The Office of the Attorney General – Residential Utilities Division (“OAG”) respectfully submits this letter in response to the Commission’s June 7, 2021 Notice of Comment Period on the petition of Minnesota Power (or “Company”) for approval of deferred-accounting treatment of its electric vehicle (“EV”) program costs.¹

Deferred accounting is an extraordinary ratemaking remedy that the Commission generally reserves for costs that are “unforeseen, unusual, and large enough to have a significant impact on the utility’s financial condition.”² The Commission has, however, created a limited exception for EV pilot programs (1) that advance the important legislative policy goal of engaging utilities in transportation electrification, (2) that are modest in size and duration, and (3) for which the deferral is limited to costs incurred between the date of the order approving deferred-accounting treatment and the beginning of the test year of the utility’s next rate case.³

If the Commission grants Minnesota Power’s petition, the OAG recommends that it apply the same conditions it imposed on prior utilities’ requests for deferred accounting of EV program costs. Specifically, if the Commission grants the petition, it should limit the deferral period so that the Company is allowed to track costs incurred between the date of the Commission’s order and the test year of the Company’s next rate case. This requirement is consistent with the

¹ The Commission approved the Company’s EV programs in an April 21, 2021 order filed in Docket No. E-015/M-20-638. In that same order, the Commission denied rider recovery of the program costs but invited the Company to request deferred-accounting treatment for those costs.

² *In the Matter of Xcel Energy’s Petition for Approval of Electric Vehicle Pilot Programs*, Docket No. E-002/M-18-643, Order Approving Pilots with Modifications, Authorizing Deferred Accounting, and Setting Reporting Requirements at 18 (July 17, 2019).

³ *Id.* at 19–20; *In the Matter of Otter Tail Power Company’s Request for Approval of Electric Vehicle Charging and Infrastructure Programs*, Docket No. E-017/M-20-181, Order Approving Pilot Program, Granting Deferred Accounting, and Setting Additional Requirements at 9 (Oct. 27, 2020).

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Commission's past decisions and would appropriately balance the goal of encouraging transportation electrification with the need to protect ratepayers from single-issue ratemaking that could result in overrecovery of the utility's revenue requirement.

Sincerely,

/s/ **Peter G. Scholtz**

PETER G. SCHOLTZ

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CERTIFICATE OF SERVICE

Re: *In the Matter of a Petition by Minnesota Power for the Approval of Deferred Accounting Treatment for Approved EV Program Costs*
MPUC Docket No. E-015/M-21-349

I, DEB POOLE, hereby certify that on the 23rd day of July, 2021, I e-filed with eDockets *a Letter of the Minnesota Office of The Attorney General—Residential Utilities Division* and served a true and correct copy of the same upon all parties listed on the attached service list by e-mail, electronic submission, and/or United States Mail with postage prepaid, and deposited the same in a U.S. Post Office mail receptacle in the City of St. Paul, Minnesota.

/s/ Deb Poole
DEB POOLE

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Generic Notice	Commerce Attorneys	commerce.attorneys@ag.state.mn.us	Office of the Attorney General-DOC	445 Minnesota Street Suite 1400 St. Paul, MN 55101	Electronic Service	Yes	OFF_SL_21-349_M-21-349
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 280 Saint Paul, MN 551012198	Electronic Service	No	OFF_SL_21-349_M-21-349
Jess	McCullough	jmccullough@mnpower.com	Minnesota Power	30 W Superior St Duluth, MN 55802	Electronic Service	No	OFF_SL_21-349_M-21-349
David	Moeller	dmoeller@allte.com	Minnesota Power	30 W Superior St Duluth, MN 558022093	Electronic Service	Yes	OFF_SL_21-349_M-21-349
Generic Notice	Residential Utilities Division	residential.utilities@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012131	Electronic Service	Yes	OFF_SL_21-349_M-21-349
Will	Seuffert	Will.Seuffert@state.mn.us	Public Utilities Commission	121 7th PI E Ste 350 Saint Paul, MN 55101	Electronic Service	Yes	OFF_SL_21-349_M-21-349