

## APPROVAL OF INTERIM RATE AND PUBLIC HEARING NOTICES

*Issued: April 11, 2017*

### **In the Matter of the Application of Minnesota Power for Authority to Increase Rates for Electric Utility Service in Minnesota**

**PUC Docket Number: E-015/GR-16-664**

**OAH Docket Number: 5-2500-34078**

**Case Background:** On November 2, 2016, Minnesota Power filed a request to increase rates for electric service in Minnesota that included a proposed customer notice for interim rates.

On December 23, 2016, the Minnesota Public Utilities Commission (“Commission”) issued its notice approving Minnesota Power’s customer notice for the implementation of initial interim rates.

On December 30, 2016, the Commission issued its *Order Setting Interim Rates*, which put into writing the decision made at the Commission’s December 15, 2016 agenda meeting that required Minnesota Power to include with each customer’s first bill under the interim rate schedule a notice of the rate change, approved by the Executive Secretary.

Also on December 30, 2016, the Commission issued its *Notice and Order for Hearing*, which directed Minnesota Power to provide notice of the evidentiary and public hearings in this matter to all of its customers, all affected municipalities, counties, and other local governing bodies, and all parties in its last two rate cases. The Commission directed Minnesota Power to place display advertisements for these hearings in the newspapers of record in the affected counties and other newspapers of general circulation in its service area. The Commission delegated authority to its Executive Secretary to approve customer notices, bill inserts, and bill format for the duration of this proceeding.

On February 24, 2017, Minnesota Power filed a proposal to implement a downward adjustment to interim rates. At the Commission’s March 30, 2017 agenda meeting, the Commission approved Minnesota Power’s proposed modified interim rates.

Minnesota Power worked with Commission staff to develop a notices of the downward adjustment to interim rates and the public hearings. These notices have been reviewed by the Administrative Law Judge assigned to this matter. These notices (please see attached) are approved, and may be used for the: (1) notice to customers, and (2) content of newspaper display advertisements.

**Submit Public Comments:** Visit [mn.gov/puc](http://mn.gov/puc), select *Speak Up!*, find this docket, and add your comments to the discussion.

- *If you wish to include an exhibit, map or other attachment, please send your comments via U.S. Mail.*

Send U.S. Mail to Public Utilities Commission, 121 7<sup>th</sup> Place East, Suite 350, St. Paul, MN, 55101. Please include the Commission's docket number in all communications.

**Filing Requirements:** Utilities, telecommunications carriers, official parties, and state agencies are **required** to file documents using the Commission's electronic filing system (eFiling). All parties, participants and interested persons are encouraged to use eFiling: [mn.gov/puc](http://mn.gov/puc), select *eFiling*, and follow the prompts.

**Full Case Record:** See all documents filed in this docket via the Commission's website - [mn.gov/puc](http://mn.gov/puc), select *Search eDockets*, enter the year (16) and the docket number (664), select *Search*.

**Subscribe:** To receive email notification when new documents are filed in this docket at [mn.gov/puc](http://mn.gov/puc), select *Subscribe*, and follow the steps.

**Questions about this docket or Commission process and procedure?** Contact Commission staff, or Clark Kaml, at [clark.kaml@state.mn.us](mailto:clark.kaml@state.mn.us) or 651-201-2246, or Sundra Bender, at [sundra.bender@state.mn.us](mailto:sundra.bender@state.mn.us), or 651-201-2247.

**Change your mailing preferences:** Email [docketing.puc@state.mn.us](mailto:docketing.puc@state.mn.us) or call 651-201-2204

**To request this document in alternative formats, such as large print or audio, call 651-296-0406 (voice). Persons with hearing or speech impairment may call us through their preferred Telecommunications Relay Service.**

Attachments (2)

## Public Hearings

Administrative Law Judge James R. Mortenson is holding public hearings. Judge Mortenson invites you to comment on the adequacy and quality of Minnesota Power's service, the level of rates or other related matters. You do not need to be represented by an attorney.

### June 19, 2017

2:00 p.m. and 6:30 p.m.  
Eveleth Range Recreation & Civic Center  
901 Hat Trick Avenue  
Eveleth, MN 55734

### June 20, 2017

2:00 p.m. and 6:30 p.m.  
The Inn on Lake Superior  
350 Canal Park Drive  
Duluth, MN 55802

### June 21, 2017

6:30 p.m.  
Itasca Community College  
1851 East Highway 169  
Backes Student Center  
Continued Learning Conference Center  
Grand Rapids, MN 55744-3397

### June 22, 2017

5:00 p.m.  
Morrison County Government Center  
213 1st Avenue Southeast  
Little Falls, MN 56345-1468

**Bad weather?** To find out if a meeting is canceled, call 651-201-2213 or (toll-free) 1-855-731-6028, or visit [www.mn.gov/puc](http://www.mn.gov/puc).

## For more information

Minnesota Power's current and proposed rate schedules are available at:

### Minnesota Power

30 W Superior Street  
Duluth, MN 55802  
800-228-4966

[www.mnpower.com/2016RateReview](http://www.mnpower.com/2016RateReview)

### Minnesota Department of Commerce

85 7th Place East, Suite 500  
St. Paul, MN 55101  
651-539-1534

[www.mn.gov/puc](http://www.mn.gov/puc)

Select eDockets, then type 16 in the year field, type 664 in the number field, select Search, and the list of documents will appear on the next page.

## Questions about the Minnesota Public Utilities Commission's review process?

### Consumer Affairs Office

121 7th Place East, Suite 350  
St. Paul, MN 55101  
651-296-0406 or 800-657-3782

[www.mn.gov/puc](http://www.mn.gov/puc)

Citizens with hearing or speech disabilities may call through their preferred Telecommunications Relay Service.



# Notice of public hearings for proposed rate increase

May 2017

J-66675 16262\_04/10/2017



[www.mnpower.com/2016RateReview](http://www.mnpower.com/2016RateReview)

**Minnesota Power has asked the Minnesota Public Utilities Commission (MPUC) for permission to increase its electric rates by approximately \$38.8 million, or about 6.1 percent overall.**

**This is a decrease of approximately \$16.3 million, or about 3.0 percent overall, from the initial request filed on Nov. 2, 2016 for \$55.1 million, or about 9.1 percent overall.**

Depending on customer class and usage, the actual percent increase will vary based upon final approval by the MPUC.

The MPUC has changed the interim rate increase. The interim rate increase changed from \$34.7 million or 5.60 percent to \$32.2 million or 5.07 percent. If final rates are lower than interim rates, we will refund customers the difference with interest. If final rates are higher than interim rates, we will not charge customers the difference. If you move before we issue a refund and we cannot find you, we may treat your refund as abandoned property. This means we will send your refund to the Minnesota Department of Commerce, Unclaimed Property Unit. You can check for unclaimed property at [www.missingmoney.com](http://www.missingmoney.com). To make sure we can send you any refund owed, please provide a forwarding address if you stop service.

**Submit written comments**

**Comments accepted through July 3, 2017.** Comments must be received by 4:30 p.m. on the close date. Comments received after the comment period closes may not be considered.

**Email:** [consumer@state.mn.us](mailto:consumer@state.mn.us)

**Online:** Go to [www.mn.gov/puc](http://www.mn.gov/puc) "Submit Your Comments," Speak Up! Find docket 16-664 and add your comments to the discussion.

**Mail:** Minnesota Public Utilities Commission  
121 7th Place East, Suite 350  
St. Paul, MN 55101-2147

Your written comments should include your name and a docket number. You can comment on any information in the proposal that is important to you, and if you are for or against the proposal.

**Important:** Comments that you send to the Commission are public. Your name and other identifying information will be on the public record. Any circumstances where the information is not public is described in Minnesota Government Data Practices Act (Chapter 13).

Customer classification	Average monthly kWh usage	Previous monthly cost*	Interim monthly increase*	Renewable adjustment change	New TOTAL monthly cost with interim and renewable adjustments*	2018 additional proposed final monthly increase*	2018 proposed TOTAL monthly cost**
Residential	744	\$81	+	\$4	+	\$9	\$90
Residential CARE	778	\$66	+	\$3	+	\$9	\$74
Residential Dual Fuel	1,119	\$102	+	\$5	+	\$3	\$103
General Service	2,670	\$299	+	\$14	+	\$10	\$307
Commercial & Industrial Dual Fuel	4,278	\$371	+	\$17	+	\$11	\$373
Municipal Pumping	6,220	\$676	+	\$31	+	\$26	\$697
Large Light & Power	297,246	\$25,714	+	\$1,155	+	\$356	\$25,519
Large Power	54,834,528	\$3,608,097	+	\$171,332	+	(\$31,952)	\$3,798,940
Street & Area Lighting	364	\$61	+	\$3	+	(\$3)	\$59

\*Monthly costs and increases include all line items on bills except sales taxes and municipal franchise fees, and may vary by customer based on usage.

\*\*The 2018 proposed total monthly cost includes the interim increase, additional proposed final increase and renewable adjustment.

Minnesota Power has requested the rate changes described in this notice. The MPUC may either grant or deny the requested changes, in whole or in part, and may grant a lesser or greater increase than that requested for any class or classes of service.

**Accommodations**

If you need any reasonable accommodation to enable you to fully participate in these public hearings (e.g., sign language or foreign language interpreter, wheelchair accessibility, or large-print materials) please contact the Office of Administrative Hearings at 651-361-7900 (voice) or 651-361-7878 (TTD) at least one week in advance of the hearing.

**Technical Hearings**

Formal technical hearings on Minnesota Power’s proposal start August 8, 2017, at 9:30 a.m. at the Minnesota Public Utilities Commission, 121 7th Place East, Suite 350, St. Paul, MN. The purpose of the technical hearings is to allow Minnesota Power, the Minnesota Department of Commerce-Division of Energy Resources, the Minnesota Office of the Attorney General-Residential Utilities and Antitrust Division and others to present their case and to ask questions of each other’s witnesses on the proposed rate increase.

**Effect of rate changes**

The table below shows the revised impacts of the interim rate and impacts of the proposed final increases. Below are examples of the effect of the proposed increase on typical bills of Minnesota Power’s customers. Individual changes may be higher or lower depending on actual electricity usage.



AN ALLETE COMPANY

# RATE INCREASE NOTICE

## Notice of Public Hearings for Minnesota Power Customers

May 2017

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