

NOTICE OF COMMENT PERIOD ON EITE RATE SCHEDULE FOR MINNESOTA POWER

Issued: July 6, 2016

In the Matter of a Revised Petition by Minnesota Power (MP) for a Competitive Rate for Energy-Intensive Trade-Exposed (EITE) Customers and an EITE Cost Recovery Rider

PUC Docket Number: E-015/M-16-564

Comment Period: *Initial comment period closes Monday, August 1, 2016 at 4:30 pm*
Reply comment period closes Thursday, August 11, 2016 at 4:30 pm

Comments must be received by 4:30 pm on the close date
Comments received after comment period closes may not be considered

Note that MP filed its petition under the docket number used for its first EITE petition. Please file all comments under the new docket number cited above.

This matter is subject to a statutory deadline. Therefore, the Commission does not anticipate granting requests for extension of the above comment periods.

Topics Open for Comment at this Time:

- Does MP's proposed rate for EITE customers comply with Minn. Stat. § 216B.1696, including the types of customers eligible for the rate, the criteria for qualification for the rate, the individual design elements of the rate, and the specific rate option proposed?
- Should the Commission approve, modify or reject MP's EITE Customer Letter Agreements?
- What criteria should the Commission use in determining whether electric rates are competitive?
- What criteria should the Commission use to evaluate whether MP's proposed EITE rate schedule provides a net benefit to the utility or to the state as required by Minn. Stat. § 216B.1696, subd. 2(b)? Has MP demonstrated that its proposed EITE rate schedule provides such net benefit?
- Are there additional or alternative rate options for EITE customers that would better meet the policy goals of the statute?
- Does MP's action on the deposit of \$30,000 for low-income funding comply with Minn. Stat. § 216B.1696, subd. 3, and is it reasonable?
- To what extent should the Commission consider or rely on MP's Class Cost of Service Study?
- Can the Commission make a decision on MP's Class Cost of Service Study without referral to a contested case proceeding?
- Under Minn. Stat. § 216B.1696, subd. 2(d), the Commission shall allow recovery of costs in the next general rate case or through an EITE cost recovery rate rider between general rate cases. Should the Commission allow MP to implement a cost recovery rider prior to its next general rate case?

- Please provide comments regarding any other issues relevant to the Commission's review of MP's petition.

Docket Background: Minn. Stat. § 216B.1696, Competitive Rate for Energy-Intensive, Trade-Exposed Electric Utility Customer, was enacted in 2015. On June 30, 2016, MP filed a revised petition with the Commission for approval of a Rider for Energy-Intensive, Trade-Exposed (EITE) customers. Individually, eight MP customers have filed in support of MP's petition for approval for the EITE rate: Minorca Mine, Hibbing Taconite, Mesabi Nugget, United States Steel, United Taconite, Minnesota Forest Industries, Blandin Paper Mill, and Verso Corporation Duluth Mill. Additionally, the Iron Mining Association and an *ad hoc* group of large industrial users of electricity filed in support of MP's petition.

Minn. Stat. § 216B.1696, subd. 2(b) directs the Commission to approve an EITE rate schedule and rate upon a finding of net benefit to the utility or the state. Subd. 2(c) requires the Commission to make a final determination within 90 days of a miscellaneous rate filing by the utility.

As a matter of interest note that, on June 27 and 28, 2016, Otter Tail Power submitted a petition requesting Commission approval of a rider for EITE Customers and a rider for EITE Current Cost Recovery (Docket 16-533).

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, select *eFiling*, and follow the prompts.

Submit Public Comments: Visit 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 7th Place East, Suite 350, St. Paul MN 55101. Please include the Commission's docket number in all communications.

Full Case Record: See all documents filed in this docket via the Commission's website - mn.gov/puc, select *Search eDockets*, enter the year (16) and the docket number (564), select *Search*.

Subscribe to receive email notification when new documents are filed in this docket at mn.gov/puc, select *Subscribe*, and follow the prompts.

Questions about this docket or Commission process and procedure? Contact Commission staff, Kevin O'Grady at 651-201-2218 or kevin.ogrady@state.mn.us, or Clark Kaml at 651-201-2246 or clark.kaml@state.mn.us.

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