BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Katie J. Sieben
Chair
Valerie Means
Commissioner
Matthew Schuerger
Commissioner
Joseph K. Sullivan
Commissioner
John A. Tuma
Commissioner

In the Matter of Northwestern Wisconsin Electric Company’s Application for Authority to Change its Minnesota Electric Rates and Rules to Conform to its Wisconsin Rates and Rules

ISSUE DATE: September 24, 2021
DOCKET NO. E-016/GR-21-557
ORDER APPROVING RATE INCREASE AND GRANTING RULE VARIANCES

PROCEDURAL HISTORY

On July 15, 2021, Northwestern Wisconsin Electric Company (Northwestern or the Company) filed an application to increase its annual Minnesota-jurisdictional rates for electric service by $439.64, or 0.51% annually, effective October 1, 2021. The proposed increase would be applicable to the Company’s 110 Minnesota customers; its remaining 14,580 customers are located in Wisconsin.

On July 22, 2021, the Department of Commerce, Division of Energy Resources (the Department) filed comments recommending that the Commission approve the Company’s rate increase request and grant the Company’s request for a variance to Minn. R. 7820.5500, subp. 2, governing late payment charges on delinquent customer accounts.

On September 2, 2021, the application came before the Commission.

FINDINGS AND CONCLUSIONS

I. Northwestern’s Petition

Northwestern provides retail electric service to approximately 14,580 customers located in Wisconsin and 110 customers located in Minnesota. The Company has proposed to increase its rates for electric service as follows:

<table>
<thead>
<tr>
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<th>Existing Rate</th>
<th>Proposed Rate</th>
<th>Approximate Rate Increase/Decrease</th>
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<tbody>
<tr>
<td>Residential</td>
<td>$69.39</td>
<td>$69.55</td>
<td>0.22%</td>
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<tr>
<td>Rural</td>
<td>$74.57</td>
<td>$74.44</td>
<td>(0.18%)</td>
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<tr>
<td>Commercial</td>
<td>$65.97</td>
<td>$66.59</td>
<td>0.94%</td>
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The Company stated that its proposed rate increase reflects increased operating costs. The Department analyzed the filing under Minn. Stat. § 216B.16, which governs a public utility’s application for a general rate change. The Department also reviewed the application under Minn. Stat. § 216B.16, subd. 12a, which states:

(a) An electric utility, operating as such in a bordering state and having fewer than 200 customers in Minnesota, is exempt from this section if the utility:
(1) charges Minnesota customers the same rates as those charged to customers in the bordering state;
(2) provides 60-day notice to the commission of rate increases for its Minnesota customers;
(3) provides individual, written notice of rate increases to its Minnesota customers;
(4) provides the Commission with schedules of rates and tariffs charged in the bordering state and revenues by class under the former and proposed rates; and
(5) maintains an up-to-date tariff book with the Department.

Based on its review of the filing and the applicable statutory criteria, the Department recommended that the Commission approve the Company’s rate increase request, which was approved by the Wisconsin Public Service Commission on June 28, 2021.

II. Commission Action

Having considered the Company’s application and the Department’s comments, the Commission will approve the Company’s requested annual rate increase, effective October 1, 2021.

III. Rule Variances

Northwestern requested that the Commission grant variances to rules governing late payment fees and rate change procedures, as well as extend an existing variance to part 7825.2400 governing automatic bill adjustments that the Commission originally granted in 1992.¹

The variance requests would apply to the following rules:

- Minn. R. 7820.5500, subp. 2
- Minn. R. 7820.3500, item C
- Minn. R. 7825.3900
- Minn. R. 7825.4000
- Minn. R. 7825.4100
- Minn. R. 7825.4200
- Minn. R. 7825.4300, item C

• Minn. R. 7825.4400, item A
• Minn. R. 7825.4400, item B

Under Minn. R. 7829.3200, the Commission must vary its rules upon making the following findings:

(1) enforcement of the rule would impose an excessive burden upon the applicant or others affected by the rule;

(2) granting the variance would not adversely affect the public interest; and

(3) granting the variance would not conflict with standards imposed by law.

In response to the Company’s request, the Department stated that it supported the request to vary Minn. R. 7820.5500, subp. 2, governing late payment charges, stating that it concurred with the Company’s position that enforcing the rule would administratively burdensome because it would require the Company to establish a different standard for its 110 Minnesota customers than the standard applicable to the vast majority of its customers who are located in Wisconsin. The Department also stated that granting the variance would not conflict with other standards imposed by law.

The Department stated that it did not believe the other variance requests were necessary but did not oppose them, explaining that because the Company is exempt under Minn. Stat. § 216B.16, subd. 12a, the rules cited by the Company do not apply. The Department similarly explained that the Company’s request to extend the variance previously granted by the Commission to Minn. R. 7825.2400 was not necessary because the Company is exempt from this rule.

The Commission concurs with the Company’s request for variances to the rules listed above and will grant the request. The Commission concurs that the requirements for a variance are met.

First, enforcement of the rules would impose an excessive burden upon the applicant or others affected by the rule by requiring the Company to comply with rules that are unnecessary; in particular, enforcement of part 7820.5500, subp. 2, would unreasonably require the Company to establish a different standard for its Minnesota customers, creating an excessive burden on the Company to do so. Second, granting the variances would not adversely affect the public interest because they enable the Company to maintain consistent practices between Minnesota and Wisconsin. Third, granting the variances would not conflict with standards imposed by law.

**ORDER**

1. The Commission approves Northwestern’s request to change its rates.

2. The Commission grants the requested variance to Minn. Rules, part 7820.5500, subp. 2, with a duration as long as the rates established in this proceeding remain in effect.

3. The Commission grants the requested variances to procedural rules and provisions governing requirements for financial information in rate increase applications, including:
• Minn. R. 7820.3500, item C
• Minn. R. 7825.3900
• Minn. R. 7825.4000
• Minn. R. 7825.4100
• Minn. R. 7825.4200
• Minn. R. 7825.4300, item C
• Minn. R. 7825.4400, item A
• Minn. R. 7825.4400, item B

4. The Commission grants Northwestern's request for an extension of the variance to Minn. R 7825.2400, supb. 13, governing the “current period” for calculating monthly adjustments for its Power Cost Adjustment Clause for as long as the rates established in this proceeding remain in effect.

5. Northwestern must file updated tariff sheets within ten days of the issuance of this order.

6. The Company must file a compliance filing verifying that all customers have been notified of the change in rates using the Commission-approved customer notice.

7. This order shall become effective immediately.

BY ORDER OF THE COMMISSION

[Signature]

Will Seuffert
Executive Secretary

This document can be made available in alternative formats (e.g., large print or audio) by calling 651.296.0406 (voice). Persons with hearing or speech impairment may call using their preferred Telecommunications Relay Service or email consumer.puc@state.mn.us for assistance.
CERTIFICATE OF SERVICE

I, Chrishna Beard, hereby certify that I have this day, served a true and correct copy of the following document to all persons at the addresses indicated below or on the attached list by electronic filing, electronic mail, courier, interoffice mail or by depositing the same enveloped with postage paid in the United States mail at St. Paul, Minnesota.

Minnesota Public Utilities Commission
ORDER APPROVING RATE INCREASE AND GRANTING VARIANCES

Docket Number E-016/GR-21-557
Dated this 24th day of September, 2021

/s/ Chrishna Beard
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<tr>
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<td><a href="mailto:commerce.attorneys@ag.state.mn.us">commerce.attorneys@ag.state.mn.us</a></td>
<td>Office of the Attorney General-DOC</td>
<td>445 Minnesota Street Suite 1400 St. Paul, MN 55101</td>
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<tr>
<td>David</td>
<td>Dahiberg</td>
<td><a href="mailto:davedahiberg@nweco.com">davedahiberg@nweco.com</a></td>
<td>Northwestern Wisconsin Electric Company</td>
<td>P.O. Box 9 104 South Pine Street Grantsburg, WI 548400009</td>
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<tr>
<td>Beverly</td>
<td>Dahiberg</td>
<td><a href="mailto:bevdahiberg@nweco.com">bevdahiberg@nweco.com</a></td>
<td>Northwestern Wisconsin Electric Co.</td>
<td>104 South Pine Street P.O Box 9 Grantsburg, WI 548400009</td>
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<td>Sharon</td>
<td>Ferguson</td>
<td><a href="mailto:sharon.ferguson@state.mn.us">sharon.ferguson@state.mn.us</a></td>
<td>Department of Commerce</td>
<td>85 7th Place E Ste 280 Saint Paul, MN 551012198</td>
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<td>LeBrun</td>
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<td><a href="mailto:residential.utilities@ag.stat">residential.utilities@ag.stat</a> e.mn.us</td>
<td>Office of the Attorney General-RUD</td>
<td>1400 BRM Tower 445 Minnesota St St. Paul, MN 551012131</td>
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<tr>
<td>John</td>
<td>Richards</td>
<td><a href="mailto:johnrichards@nweco.com">johnrichards@nweco.com</a></td>
<td>Northwestern Wisconsin Electric Company</td>
<td>104 S. Pine St. Grantsburg, WI 54840</td>
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<tr>
<td>Will</td>
<td>Seuffert</td>
<td><a href="mailto:Will.Seuffert@state.mn.us">Will.Seuffert@state.mn.us</a></td>
<td>Public Utilities Commission</td>
<td>121 7th Pl E Ste 350 Saint Paul, MN 55101</td>
<td>Electronic Service</td>
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<tr>
<td>Larry O.</td>
<td>Stotz, CPA</td>
<td>N/A</td>
<td>Stotz &amp; Company</td>
<td>210 S. Oak St. Grantsburg, WI 54840</td>
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<td>William</td>
<td>Williams</td>
<td><a href="mailto:bwilliams@bmrlawyers.com">bwilliams@bmrlawyers.com</a></td>
<td>Bell Moore &amp; Richter SC</td>
<td>345 W. Washington Avenue Suite 302 Madison, WI 53703</td>
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