November 10, 2021

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

RE: In the Matter of the Application of Minnesota Power for Authority
to Increase Rates for Electric Utility Service in Minnesota
Docket No. E-015/GR-21-335
JOINT INITIAL COMMENTS

Dear Mr. Seuffert:

Minnesota Power (or, “the Company”), Energy CENTS Coalition (“ECC”), and the Citizens Utility Board of Minnesota (“CUB”) (collectively “MP, ECC, and CUB” or ”Joint Commenters”) present this proposal for Minnesota Public Utilities Commission (“Commission”) consideration.

On November 1, 2021, Minnesota Power submitted a complete request to increase rates for a total of $108.3 million, or 17.58 percent, for the test year ending on December 31, 2022. The Company requested an interim rate increase of approximately $87.3 million, or 14.23 percent, effective for all customer classes, for service rendered on or after January 1, 2022.

Given the unique considerations facing this customer class, MP, ECC, and CUB collaboratively developed a proposal to reduce the interim rate increase for the residential customer class. Following the COVID-19 pandemic and the ending of pandemic protection designed to ensure continued service for residential customers, customers continue to work to reduce their past due balances accrued during the moratorium on disconnections. In light of this unique consideration, the Joint Commenters believe it is appropriate for the Commission to reduce the interim rate for this customer class.

Minnesota Power believes strongly in the need to recover its appropriate and prudently-incurred expenses to maintain a financially healthy utility and continue providing valuable electric service to all customers. In addition, the Company has completed only three rate cases in the last twenty-five years. Therefore, the Company supports the alternative interim rate proposal if the Commission allows Minnesota Power to establish a tracker for future recovery of the difference between proposed and approved interim residential rates. Determinations regarding recovery of any difference would occur as part of the interim rate process in accordance with Minn. Stat. § 216B.16. To the extent applicable, Minnesota Power would waive any carrying charges for any surcharge applied to residential customers. And with this proposal, the Joint Commenters are not presuming any particular revenue requirement or rate design outcomes in this proceeding. Rather, this alternative proposal allows all interested stakeholders the opportunity to continue evaluating Minnesota Power’s request throughout the rate case process, while providing meaningful and immediate mitigation of the allowed interim rate amounts for residential customers.
The alternative interim rate proposal brought forward by the Joint Commenters would result in a reduced interim rate increase for the residential customer class, from the initially proposed 14.23 percent to a revised 7.11 percent. This proposal would result in a monthly interim rate increase of only $5.89 for the average residential customer rather than an $11.78 increase, as submitted on November 1, 2021 by the Company.

The Joint Commenters respectfully request the Commission approve the proposal to reduce the interim rate increase by half for the residential customer class, and to place the difference between the Company’s initially proposed 14.23 percent increase and the agreed upon 7.11 percent increase in a tracker to be reviewed with the interim rate process as set forth under Minn. Stat. § 216B.16.

Respectfully,

/s/ Pam Marshall
Pam Marshall
Executive Director
Energy CENTS Coalition

/s/ Annie Levenson-Falk
Annie Levenson-Falk
Executive Director
Citizens Utility Board of Minnesota

/s/ David R. Moeller
David R. Moeller
Senior Attorney & Director of Regulatory Compliance
Minnesota Power

cc: Service Lists
Tiana Heger of the City of Duluth, County of St. Louis, State of Minnesota, says that on the 10th day of November, 2021, she served Joint Interim Rate Initial Comments in Docket No. E-015/GR-21-335 on the Minnesota Public Utilities Commission and the Energy Resources Division of the Minnesota Department of Commerce via electronic filing. The persons on E-Docket's Official Service List for this Docket were served as requested.

Tiana Heger