

E-015/M-93-797 ORDER ALLOWING WITHDRAWAL OF CONTRACT AMENDMENT

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Don Storm	Chair
Tom Burton	Commissioner
Marshall Johnson	Commissioner
Cynthia A. Kitlinski	Commissioner
Dee Knaak	Commissioner

In the Matter of a Request by  
Minnesota Power to Withdraw a  
July 30, 1993 Amendment to the  
Electric Service Agreement  
Between Minnesota Power and USX  
Corporation

ISSUE DATE: September 27, 1993

DOCKET NO. E-015/M-93-797

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CONTRACT AMENDMENT

**PROCEDURAL HISTORY**

On June 17, 1993, the Commission issued its ORDER PARTIALLY APPROVING AND PARTIALLY DENYING RATE PROPOSAL in In the Matter of the Petition of Minnesota Power for Approval of an Interruptible Rate for the Large Power Class, Docket No. E-015/M-93-153. In that Order the Commission approved an interruptible rate rider proposed by Minnesota Power for its Large Power Class. Under the terms of the rider, Minnesota Power would dedicate 100 MW of capacity to interruptible service for its Large Power customers. The basic provisions of the rider would allow Minnesota Power to interrupt participating customers' service, in return for the granting of a discounted rate to the customers.

On August 17, 1993, Minnesota Power filed a petition for approval of a July 30, 1993 amendment to its Electric Service Agreement with USX Corporation (USX), one of Minnesota Power's Large Power customers. On the same date, Minnesota Power submitted four other similar petitions to the Commission, each concerning a different Large Power customer. The petitions represented contract amendments under which USX and the other Large Power customers would partake of the interruptible rate rider.

On August 30, 1993, Minnesota Power submitted a petition reflecting a joint agreement between USX and Minnesota Power. Under the agreement, the July 30, 1993 contract amendment would be withdrawn and the parties would be governed by the following terms:

1. The terms of the July 30, 1993 amendment would be null and void;
2. USX would no longer be considered eligible under the interruptible rider; and
3. USX would not become obligated to any of the obligations set forth in condition 7 of the rider.

In the August 30, 1993 letter, Minnesota Power explained that it would be in the best interests of both parties if the Minnesota Power/USX contract amendment were withdrawn. USX was unwilling to be subject to the terms of the contract amendment; the parties agreed that USX should no longer be bound under it.

Minnesota Power explained further that if the amendment were withdrawn, USX's previous allocation of 22 MW of interruptible power would be reallocated among the remaining four partaking Large Power customers: Hibbing Taconite; Inland-Minorca; LSPI; and National Steel. Preliminary allocations would therefore be revised as follows:

<u>Customer</u>	<u>MW-months beyond Nov. 1, 1993</u>	<u>Preliminary Allocation (MW)</u>
Hibbing Taconite	6233	36
Inland-Minorca	2103	12
LSPI	3431	20
National Steel	<u>5631</u>	<u>32</u>
	17,398	100

The proposed withdrawal of contract amendment came before the Commission for consideration on September 16, 1993.

#### FINDINGS AND CONCLUSIONS

The Commission notes that the parties have mutually agreed to the withdrawal of the contract amendment, and no party has expressed opposition to the proposal. Minnesota Power ratepayers should not be adversely impacted, since the same number of MW will remain under the interruptible rider, under the reallocation.

The Commission will grant Minnesota Power's petition to withdraw its contract amendment with USX.

#### ORDER

1. The Commission grants Minnesota Power's petition to withdraw its July 30, 1993 amendment of its Electric Service Agreement with USX.
2. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Susan Mackenzie  
Acting Executive Secretary

(S E A L)