



33 South Sixth Street, Suite 4200  
Minneapolis, Minnesota 55402  
main 612.373.8800  
fax 612.373.8881  
www.stoel.com

November 25, 2015

ANDREW P. MORATZKA  
Direct (612) 373-8822  
andrew.moratzka@stoel.com

**VIA E-FILING**

Mr. Daniel P. Wolf  
Minnesota Public Utilities Commission  
121 7th Place Street, Suite 350  
St. Paul, MN 55101

**Re: In the Matter of a Petition to Ensure Competitive Electric Rates for Energy-Intensive Trade-Exposed (“EITE”) Customers  
Docket No. E-015/M-15-984**

Dear Mr. Wolf:

The EITE-eligible members of the Large Power Intervenors (“LPI-EITE”)<sup>1</sup> have now had the opportunity to review and digest the Notice of Comment Period on EITE Rate Schedule (the “Notice”) issued by the Minnesota Public Utilities Commission (the “Commission”) on November 19, 2015, and Minnesota Power’s response submitted on November 24, 2015 (“Minnesota Power’s Response”). We have also had the opportunity to discuss the Notice with Commission staff and understand that the Notice was issued after receiving legal advice that the Commission could bifurcate the analysis under section 216B.1696 of the Minnesota Statutes (the “EITE Statute”) and defer a decision on the EITE rate rider proposed in Minnesota Power’s EITE petition until to a yet-to-be determined date outside of the 90-day review window mandated by the EITE Statute. To be sure, LPI-EITE disagrees with this legal interpretation<sup>2</sup> and supports the analysis set forth in Minnesota Power’s Response.

LPI-EITE is troubled by the notion that the Commission could delay the effectiveness of Minnesota Power’s proposed EITE rate via the vague process set forth in the Notice. The EITE Statute clearly and unambiguously requires the Commission to make a final determination on

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<sup>1</sup> ArcelorMittal USA (Minorca Mine); Blandin Paper Company; Boise Paper, a Packaging Corporation of America company, formerly known as Boise, Inc.; Hibbing Taconite Company; Mesabi Nugget Delaware, LLC; Sappi Cloquet, LLC; United States Steel Corporation (Keetac and Minntac Mines); United Taconite, LLC; and Verso Corporation.

<sup>2</sup> Which, as noted in Minnesota Power’s Response, may be in violation of section 216B.33 of the Minnesota Statutes.



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any proceeding commenced under the EITE Statute within 90 days of filing. Minnesota Power and LPI-EITE relied upon this clear and unambiguous language in negotiating the letter agreements attached to Minnesota Power's EITE petition, each of which specifically condition effectiveness on Commission approval of both the EITE rate and EITE rate rider. Through the Notice, the Commission has unlawfully indicated its intent to deviate from the 90-day review mandate in the EITE Statute, putting at risk the significant effort Minnesota Power and LPI-EITE have each undertaken to reach a reasonable EITE rate proposal.

LPI-EITE emphasizes that prompt attention to Minnesota Power's filing is critical.<sup>3</sup> As the Commission is undoubtedly aware, current economic conditions for the paper and taconite industries are extremely challenging. For example, the Star Tribune recently reported difficulties for Verso Corporation's Duluth mill.<sup>4</sup> And the Duluth News Tribune recently reported that Magnetation LLC intends to idle Plant 2 in Bovey.<sup>5</sup> The announcement from Magnetation came on the heels of the announcement from Cliffs Natural Resources that it will be idling operations at Northshore Mining Company in Silver Bay and Babbitt.<sup>6</sup> These facilities join other Minnesota operations that have been idled, including United Taconite, U.S. Steel's Keetac plant, and Mesabi Nugget. As noted in the article covering the idling of Northshore Mining Company, "It's now clear that...this has become the worst downturn in the state's mining industry since the early 1980s."<sup>7</sup>

The current economic environment is undoubtedly driven in large part by global economic forces. That fact does not, however, mean that the Commission should delay or moderate adherence with the EITE Statute and its directive that "[i]t is the energy policy of the state of Minnesota to ensure competitive electric rates for energy-intensive trade-exposed customers." To the contrary, ensuring competitive electric rates is one of the tools that can help restore production, jobs, utility revenue, and production-tax revenue.

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<sup>3</sup> LPI-EITE notes that concerns regarding the timing impact on Commission resources was addressed via the legislature's explicit authorization in the EITE Statute for the Commissioner of Commerce to assess reasonable costs for services it provides of up to \$854,000 per biennium. LPI-EITE also notes that neither Commission staff nor representatives from the Department of Commerce contacted counsel for LPI-EITE to discuss any concerns regarding scheduling.

<sup>4</sup> <http://www.startribune.com/verso-s-duluth-paper-mill-may-get-caught-in-crossfire-of-company-s-struggles/352350601/>.

<sup>5</sup> <http://www.duluthnewstribune.com/business/mining/3885457-magnetation-closing-another-iron-range-plant>.

<sup>6</sup> <http://www.duluthnewstribune.com/business/mining/3884500-cliffs-idle-northshore-mining-taconite-woes-worsen>.

<sup>7</sup> *Id.*



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LPI-EITE looks forward to continued dialogue regarding Minnesota Power's EITE petition and respectfully requests the Notice to be amended to address the entirety of Minnesota Power's EITE petition in accordance with the EITE Statute.

Very truly yours,

Stoel Rives LLP

*/s/ Andrew P. Moratzka*

Andrew P. Moratzka

APM:kap  
cc: Service List

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