



117 South First Street • Montevideo, MN 56265

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Submitted via eDockets

Mike Bull
Acting Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101-2147

Re: In the Matter of the Petition of Minnesota Power for the Acquisition of ALLETE by Canada Pension Plan Investment Board and Global Infrastructure Partners, Docket Nos. E-015/PA-24-198 and E-015/M-24-383

Acting Executive Secretary Bull:

CURE submits these reply comments to the Minnesota Public Utilities Commission (Commission) regarding the initial comments and exceptions filings of other parties in the above-referenced docket. CURE responds to ALLETE/Minnesota Power, Global Infrastructure Partners (GIP), Canada Pension Plan Investment Board (CPP) (collectively “the Partners”) (all companies together “the Applicants”),¹ the Minnesota Department of Commerce (Department),² the Laborers International Union of North America Minnesota & North Dakota (LiUNA),³ EnergyCENTS

¹ Exceptions of Minnesota Power, Canada Pension Plan Investment Board, and Global Infrastructure Partners, Aug. 4, 2025, eDocket Document No. [20258-221744-02](#) (public) [hereinafter “Applicants Exceptions”]; CORRECTED: Comments from Operating Engineers Local 49 and North Central States Regional Council of Carpenters, Aug. 4, 2025, eDocket Document No., [20258-221749-01](#) [hereinafter “Rewritten Union Comment”].

² Initial Comments and Arguments and Exceptions of the Minnesota Department of Commerce, Aug. 4, 2025, eDocket Document No. [20258-221732-01](#) [hereinafter “Department Comment”].

³ LiUNA Initial Comments and Exceptions, Aug. 4, 2025, eDocket Document No. [20258-221753-01](#).

Coalition (ECC),⁴ and several non-party commenters who appeared in this docket for the first time on August 4th to make comments in favor of the acquisition.⁵

These parties misconstrue the record in this case and do not correctly apply the legal standard before the Commission. As a result, the ultimate conclusions of these comments and exceptions should be rejected, and the petition should be denied.⁶

1. The Applicants

CURE's initial comment of August 4th addresses matters brought up by the Applicants, including how the settlement announced on July 11th does not change the analysis offered by the Administrative Law Judge (ALJ).⁷ CURE limits this response to the Applicants' main themes and a few issues that came up for the first time in the Applicants' initial comment and exceptions.

a. The ALJ Report is sound, the Applicants' criticisms are not

The ALJ's Report roundly rejected most of the arguments that the Applicants seek to revive in their lengthy exceptions filings, further demonstrating that the ALJ Report covers the entire record and did not find the Applicants' arguments or experts credible or useful in making conclusions of law and recommendations to the Commission. As a result, the Applicants' many complaints about their testimony and arguments not being accepted are merely a recitation of information the ALJ considered and rejected. To acknowledge that the ALJ reviews the entire record is not the same as requiring that the ALJ Report must "both sides" every argument and make findings detailing every

⁴ Energy CENTS Coalition exceptions to ALJ report, Aug. 4, 2025, eDocket Document No. [20258-221750-01](#); Energy CENTS Coalition comments, Aug. 4, 2025, eDocket Document No. [20258-221751-01](#).

⁵ These comments include organizations that represent organized labor, religious charitable organizations, and trade associations that promote infrastructure projects. See comments from: Minnesota Building Trades, eDocket Document No. [20258-221752-01](#); The Salvation Army Northern Division, eDocket Document No. [20258-221775-01](#); Fresh Energy & Clean Grid Alliance, eDocket Document No. [20258-221738-01](#); and Center for Energy and Environment and Clean Energy Economy Minnesota, eDocket Document No. [20258-221722-01](#).

⁶ Other than denying the application, the Commission should be mindful of the facts that party and non-party commenters who highlight the issue of providing adequate funding for low-income programs have valid concerns that should be resolved outside of this acquisition docket. The Department's separate finding on misappropriated money for past and future land sales should be rewritten and adopted, along with a denial of the application.

⁷ Findings of Fact, Conclusions of Law, and Recommendations at 67 n.549 (July 15, 2025), eDocket Document No. 20257-221020-01 [hereinafter "ALJ Report"] (concluding: "the Administrative Law Judge has reviewed the stipulation and notes that her concerns regarding the Acquisition have not been resolved and it does not change the Administrative Law Judge's recommendation to disapprove the Acquisition.").

argument of non-credible witnesses. The ALJ Report clearly did encompass the full record and found that the Applicants had failed to make the necessary showings to meet the applicable legal standard.

As a result, the Commission should be confident in taking action to deny this acquisition, knowing that: the Applicants have not carried their burden to prove this acquisition is “consistent with the public interest;” have not demonstrated the need for the Partners’ involvement in the management of Minnesota Power; have not committed any Partner funds to any carbon-free transition of Minnesota Power energy resources; have not committed to an earlier retirement of Boswell; and have announced (in the Minnesota Power 2025-2039 IRP docket) plans to add a gigawatt or more of new and replacement gas generation—which appears to include both the construction of NTEC and the re-fueling of Boswell instead of replacement with carbon-free energy sources.⁸

The ALJ did not find the Applicants’ experts convincing, so the fact that they were not given equal time in the ALJ Report is a normal consequence of brining either irrelevant or non-credible testimony.⁹

b. Public comments

The Applicants take umbrage at the ALJ’s description of many of the public comments in favor of the acquisition aligning with financial support from Minnesota Power, stating: “This speculation dismisses the opinion of dozens of commenters without any basis for doing so. . . . It is inappropriate and insulting to suggest commenters in support of the Acquisition are driven by a financial interest, particularly without identifying any factual basis for such a suggestion.”¹⁰ However, independent analysis of these same public comments has shown that the ALJ’s findings were correct and that the large majority of comments in favor of the acquisition were tied to financial attachments to Minnesota Power or its charitable giving.

⁸ Further, the Commission should be confident in their decision as the ALJ found that the Applicants over-applied trade secret designations and said different things to the public than they say secretly among themselves.

⁹ The fact that Minnesota Power’s experts do not seem to understand the deal they have struck with the Partners is a telling example of this issue. ALJ Report at ¶ 263 (“The record reflects that ALLETE does not understand key governance terms discussed in the term sheet. [NOT PUBLIC HCTS DATA REDACTED] This demonstrated lack of understanding suggests that ALLETE does not fully appreciate how much control the Partners will have over its post-transaction affairs.”). If testimony from one of the experts is shown to not be based on what is actually true in this case, it would be normal for the Commission to make their ultimate decision without strongly weighing that incorrect testimony.

¹⁰ Applicants Exceptions at 18.

An independent analysis of all comments summarized by the ALJ found that of the almost 500 public comments offered on the acquisition, “The vast majority opposed the transaction. Roughly 81 supported (or did not explicitly oppose) the deal, according to an Energy and Policy Institute review. At least 72 of those were from individuals and organizations that appear to have ties – often financial – to Minnesota Power or Allete, according to publicly available information.”¹¹ That is to say, *less than ten* comments in support of the acquisition from the public were not immediately attributable to a financial stake in Minnesota Power, or a similar affiliation or association.¹²

These are verified facts, not insults. The “deep disrespect” that the Applicants complain of,¹³ is apparent in their exceptions to the ALJ Report, but the disrespect shown is squarely theirs and not found among the ALJ’s sound findings.

c. UPPCO

The Applicants are clearly upset that the ALJ found other witnesses more credible than their witness regarding the Michigan utility that has been wrecked by multiple private equity owners.¹⁴ The Applicants’ expert attempted to argue that the UPPCO debacle was not his fault, even though its sale was approved under his supervision as a regulator. Regardless of conflicted testimony offered, the UPPCO example and considerable evidence about it supplied by witnesses for CURE and the Citizens Utility Board supported the opposite conclusions to what the Applicants choose to believe.¹⁵ The record shows that UPPCO, now held by a second private equity buyer, is a severe financial burden for the people of Michigan, demonstrating a potential future for Minnesota Power under similar ownership.

d. LiUNA’s witness

The Applicants also malign the failure to credit a witness who directly profits from the Partners’ investment funds.¹⁶ Similar to their anger at the treatment of public comments that align with financial support, the Applicants would like to see this process credit witness testimony that

¹¹ Karlee Weinmann, *‘Financial support’ from Minnesota Power may have influenced backers of utility acquisition, judge says*, Energy & Policy Institute, July 24, 2025, <https://energyandpolicy.org/financial-support-influenced-allete-blackrock-comments/>

¹² *Id.* (“Supportive comments also came from representatives of several organizations that receive other kinds of financial support from Minnesota Power and Allete – payment for membership, or sponsorship of programming.”)

¹³ Applicants Exceptions at 18.

¹⁴ Applicants Exceptions at 12 and 13.

¹⁵ Ex. CURE-600 at 12-16 (Baker Direct), eDocket Document No. [20252-214963-04](#); see also Ex. CURE-600, JB-4, eDocket Document No. [20252-214963-08](#).

¹⁶ Applicants Exceptions at 14.

doesn't answer any question posed by the Commission, and only goes to show that the Partners work to keep their well-heeled institutional investors happy.

e. The Partners' control over other party filings

Considering the Applicants' stated disgust at the insinuation that public comments in support of their acquisition may have been influenced by financial support, it is notable that one of the August 4 filings in this case appears to indicate that an attorney representing the Partners has engaged in rewriting the official comments of another party to this case.

On August 4, the North Central States Regional Council of Carpenters/IUOE Local 49 filed comments in support of the acquisition, with official service of parties at 3:26 PM.¹⁷ However, that filing, which also explicitly endorsed the ALJ's Report and findings, was corrected in another copy of the comment which was officially served at 4:40 PM that day.¹⁸ The updated version of the document no longer endorsed the ALJ Report and appears to be an edited version of the original document.

The metadata for the corrected version of the party filing suggests that it was created by one of the attorneys representing the Partners in this matter at 4:38:24 PM on August 4:

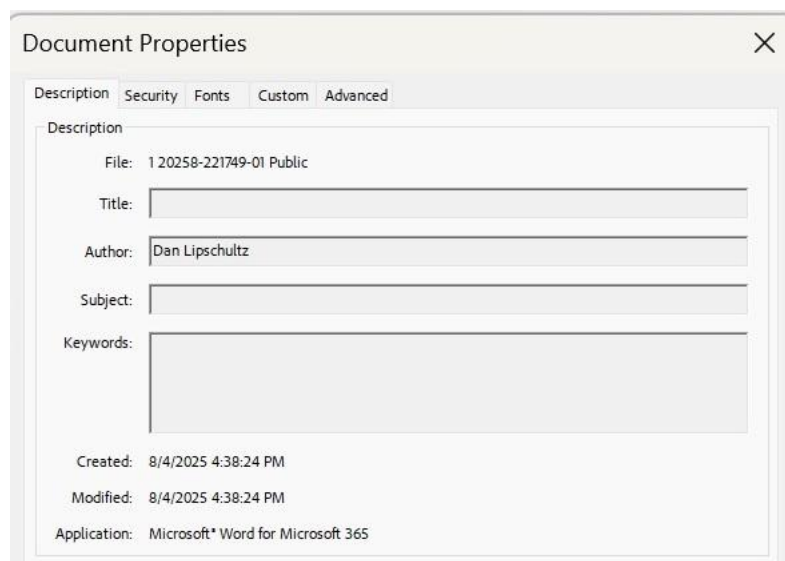


Fig 1. Adobe Reader's display of metadata on the Corrected filing from North Central States Regional Council of Carpenters/IUOE Local 49

That some public comments might have been sought by Minnesota Power from people and organizations it financially supports is not terribly surprising. But the rewriting of a comment for

¹⁷ Comments from Operating Engineers Local 49 and North Central States Regional Council of Carpenters, Aug. 4, 2025, eDocket Document No. [20258-221733-01](#).

¹⁸ See Rewritten Union Comment.

this proceeding by a *party* to this case then submitted by another supposedly independent *party*, is fairly shocking. It also illustrates that the ALJ's findings were in no way excessive in suggesting that these companies may make efforts to change the record to suit them; they clearly have done so when it was deemed important by the Partners' representatives.

2. The Department

CURE's initial comment discusses the Department's proposed "settlement" with the Applicants and how it does not remedy the fact that this acquisition is contrary to the public interest. CURE believes that the Department's own briefing and expert testimony, produced by Department staff and legal representatives prior to the stipulation, proves without any doubt that this acquisition is too risky and harmful to the people of Minnesota to be consistent with the public interest, even with the addition of conditions proffered by the Department in July 11th filings.

The Department incorrectly states that "The report, however, did not expressly address the new commitments memorialized in the stipulation."¹⁹ The ALJ Report explicitly did do so, finding that the stipulation did not change the ALJ's analysis or conclusions.²⁰

a. Misappropriated land profits

CURE fully agrees with the Department that Minnesota Power's withholding of 75.4 million dollars since 2021 is unacceptable and robs customers of the accrued interest they would have received but for this misappropriation.²¹ To the extent that this is true, Minnesota Power should be penalized by the Commission for misappropriating ratepayer funds and should disgorge all land profits immediately (and all future land profits as they are realized). Also, as discussed by CURE in its initial comment, this misplaced money could be used to provide a larger benefit to Minnesota Power ratepayers than all of the commitments offered by the Applicants in this proceeding. This 75.4-million-dollar "benefit," which the Department again touted in its initial comment,²² is totally separate from this acquisition and should be ordered by the Commission regardless of this proceeding or the stipulation.

In denying the petition of the Applicants, the Commission should reject all other proposed findings offered by the Applicants and Department, and rewrite 222a²³ to require MP immediately commit this ill-got money to directly benefit ratepayers through low-income programs and renewable energy investment.

¹⁹ Department Comment at 2.

²⁰ ALJ Report at 67 n.549.

²¹ Department Comment at 8.

²² *Id.* at 8.

²³ Importantly for Commission action, the Department's proposed finding 222a, contains a 900,000-dollar typo: it says the money owed is "\$74.5" million instead of "\$75.4" million. *See id.* at 9.

b. ROE is too high, and rates will increase too soon

The ROE and rate case stay-out provisions are exceptionally temporary. As the Department admits, “assuming a November 2026 rate case filing, customers would likely benefit from the ROE reduction until late 2027 or early 2028.”²⁴ The Department offers no evidence or explanation about why northeastern Minnesota’s ratepayers will be so well off in 2028 that they will be able to absorb the large rate shock that will undoubtedly occur due to interim and final rate increases because of the Partners’ first rate case. Since the United States appears poised to be heading towards a trade-war-induced recession at the same time that the federal government has significantly cut back on safety net programs, the opposite is much more likely to occur. By 2028, Minnesota’s rural utility customers will likely have less disposable income, less affordable healthcare, less access to government assistance, less job prospects, and—should this acquisition be approved now—much higher utility rates.

Rather than a 0.13 percent adjustment, CURE encourages the Commission to actually address the full harm of the high ROE and set Minnesota Power’s at a more reasonable standard: 6 percent. This can be done outside of this proceeding in a rate case. A lower ROE is supported by CURE’s testimony in this case, and would go a long way in protecting rural ratepayers from future gold-plating of Minnesota Power resources in order to inflate unearned profit margins. CURE also believes that a one-year rate case stay-out,²⁵ is not sufficient to mitigate the plans of these private equity companies—only a rate case stay-out for the *entire time* that Minnesota Power is owned by private equity firms (these Partners or any they may sell to in the future) can protect Minnesotans from foreseeable harm.

c. “Clean firm” investment is not clean, and not sufficient

The Department again makes much of the “clean firm” investment found in its July 11th stipulation.²⁶ Unfortunately, there is nothing “clean” about this commitment, and it’s unlikely that a mere 50 million dollar commitment (should the money ever be provided) would sufficiently play for the gold-plated “carbon free” resources that Minnesota Power likely will attempt to pay for with this fund.

In Commission Docket 24-352, both the Department and Minnesota Power have endorsed the burning of biomass as a “carbon-free” energy source that should continue beyond 2040 despite

²⁴ Department Comment at 8.

²⁵ Department Comment at 8.

²⁶ Settlement Stipulation of DOC, ALLETE, GIP, CPPIB, at 12, July 11, 2025, eDocket Document No. [20257-220879-01](#) (commitment 1.63).

Minnesota’s 100 percent carbon-free electricity by 2040 standard (carbon-free standard or CFS).²⁷ Private equity is also heavily invested in carbon capture and sequestration (CCS) projects, something that the American Petroleum Institute and others have endorsed in that docket. Based on the agreement between the Department and Minnesota Power, there is nothing stopping these two parties from agreeing between themselves to invest this entire “clean firm” fund in biomass, carbon capture and sequestration, or the logical marriage of the two—which will not reduce carbon emissions at all but will cost ratepayers and the environment dearly.

Hence, this agreement, coupled with Minnesota Power’s proposed IRP, likely will waste this “clean” fund to emit far more carbon than the utility would have by continuing coal operations at Boswell. Moreover, by spending this seed money and ratepayer funds on biomass, this investment will harm forest resources managed by the Leech Lake Band of Ojibwe in close proximity to Boswell’s new need for burnable fuel. Both by burning the woody biomass and by converting diverse forests to clear cuts, this “clean firm” fund will increase environmental harm and greenhouse gas emissions.

3. Laborers International Union of North America Minnesota & North Dakota

LiUNA is concerned that its expert was not credited as an expert,²⁸ ignoring the fact that her testimony was unresponsive to all of the questions posed by the Commission to the parties and the ALJ. As a pleased private equity customer, this witness provided no expertise germane to the questions posed by the Commission.

The expertise outlined in the LiUNA’s witness’s original testimony derives from experience as an executive employee at LiUNA and experience within LiUNA’s 65 billion dollars in affiliated pension funds. While this is anecdotal evidence, it is not even necessarily representative of other GIP customers, as LiUNA is a relatively small limited partner compared to retirement funds nationally which easily top 100 billion dollars in assets each.²⁹

While witness Bryant has considerable expertise in investing pension funds, she offered no information about private equity’s impacts on labor unions or skilled employment, customer bills, the environment, or other issues relevant to the public interest of Minnesota. As a result, the ALJ had no reason to rely on this expert—she testified to her viewpoint that more money is better than

²⁷ PFPI, CURE, MNIPL Comment, *In the Matter of an Investigation into Implementing Changes to the Renewable Energy Standard and the Newly Created Carbon Free Standard under Minn. Stat. § 216B.1691*, PUC Docket Number/s: E-999/CI-23-151, June 28, 2024, eDocket Document No. [20246-208145-01](#).

²⁸ LiUNA Initial Comment and Exceptions at 4.

²⁹ Pensions & Investments, Feb. 10, 2025, https://www.nystrs.org/getmedia/1d67c20b-0960-4aab-8402-27fe6feb596c/P-I_Top_1000.pdf.

less, and private equity consistently promises more money. The experience of one of GIP's limited partner investors does not rise to the level of relevant evidence.³⁰

4. Energy CENTS Coalition

CURE appreciates ECC's clear statement that their representation of low- and fixed-income customers should not be construed as sufficient ratepayer protections to mitigate the harm caused to customers.³¹ ECC explains: "We never presumed that our negotiations with the Company and the Partners would be the only concessions for ratepayers broadly in this matter. We are of course deeply concerned with the well-being of all ratepayers, regardless of whether they are income qualified."³²

CURE strongly supports the low-income programs that ECC champions, and agrees that they should be adequately funded going forward to meet the needs of Northeastern Minnesotans. However, a comparatively small lump sum committed towards the utility's existing program will not be sufficient if this acquisition goes through, because it will drive large numbers of customers into poverty, increasing the need for more funding for such programs as ECC administers.

As stated in initial comments, CURE continues to believe that the rate increases that are caused by this proposed acquisition will hit low-income and marginalized communities the hardest, both through rate impacts and by causing economic difficulty for businesses that supply industrial employment.³³ As the ALJ found: "The Partners' private memoranda, modeling, and communications with potential investors establish that the Partners are planning on significant rate increases that will likely exceed the long-run rate of inflation. . . . The Acquisition creates an unacceptable risk of rate increase and rate shock in a critical and economically vulnerable area of Minnesota."³⁴

5. Non-party organization comments

As already discussed, nearly all public comments offered in favor of this acquisition appear to be from parties who are financially connected to Minnesota Power or ALLETE. Any additional

³⁰ Additionally, LiUNA again attempts to make a bizarre argument that it previously offered in briefing about the use of the word "heterogeneous" in one source cited by a CURE witness. LiUNA Initial Comment and Exceptions at 10. CURE addressed this argument in reply briefing and will not waste the Commission's time with further discussion, other than to note that it is not true and the ALJ correctly already considered and rejected this argument.

³¹ ECC Comments at 3

³² *Id.*

³³ ALJ Report ¶ 220 ("These projected rate increases will likely exceed the inflation rate, adversely impacting the budgets of residential customers and the economic competitiveness of ALLETE's large industrial customers.").

³⁴ *Id.* ¶ 222.

supportive comments at this point appear to be made in ignorance of the record before the Commission, which clearly demonstrates foreseen harms to workers, the environment, customers of all sizes, industrial output and profitability, transparency, accountability, and Minnesota Power's long-term reliability and maintenance.

Members of the public generally do not make technical comments applying legal standards or advocating for an outcome on policy grounds, but several organizations filed comments in support of this acquisition, purporting to make policy arguments without actually having reviewed the complete record, including the large amount of trade secret materials that generally contradict public statements in favor of the acquisition.

These comments are of no substance. They do not reflect the record, they do not reflect the Applicants' past or current business practices, they do not reflect commitments made nor whether these are enforceable by the Commission.

These comments should be given little weight as they are not based on the facts nor the law applicable in this case. They incorrectly assume that the agreement between the Department and the Applicants places financial duties upon the Partners, while the July 11 stipulation clearly does not require that the Partners provide any funding at all. They incorrectly assume that the agreement supports replacing Boswell with "clean energy,"³⁵ which Minnesota Power and the other Applicants clearly do not propose to do—the IRP expressly plans to replace all of Boswell's generation with fossil gas and/or biomass energy (an energy source more carbon intensive than coal).

These commenters can be forgiven for not knowing anything about this docket, they never participated in it before August 4th. None of them sought party status or offered public comment during the applicable comment period. Their disinterest in this docket and the impacted northern Minnesota communities—for a full year of proceedings—echoes silently through the record.

These comments also show no concern for negative impacts that have been proven by intervenors in testimony and briefing. They ignore the issues of affordability, the Commission's central duty to all Minnesota ratepayers. As such, they are not useful to the Commission as it makes its decision on this robust and complex record.

It remains true, as the ALJ clearly found:

At the heart of this matter is the amount of capital Minnesota Power will require, and at what times, to comply with Minnesota's Carbon Free Standard. The

³⁵ Fresh Energy & Clean Grid Alliance at 2 ("And certainly, replacing Minnesota Power's coal with clean energy is the basis for its ability to meet Minnesota's 100% clean electricity standard and economy-wide greenhouse gas reduction goals."). Unfortunately for these commenters, wishing doesn't make it true.

Petitioners did not prove by a preponderance of evidence that they will be unable to meet the Carbon Free Standard absent the Acquisition, nor did they guarantee or present sufficient evidence showing that the standard will be met as a result of the Acquisition. Furthermore, the Legislature did not demand utilities, or the Commission, pursue the Carbon Free Standard at all costs. The Commission is tasked with ensuring Minnesota Power's path to compliance "maximizes net benefits to all Minnesota citizens." Ultimately, even if declining to approve the Acquisition eventually resulted in some complication or short delay in Minnesota Power meeting the Carbon Free Standard, this is not a reason to approve the transaction given its serious risk to Minnesota ratepayers.³⁶

Conclusion

For the foregoing reasons the Commission should deny the petition, and require Minnesota Power to commit its past and future land profits to actual renewable energy development and low-income customer programs.

Respectfully submitted,

/s/ Hudson Kingston

Hudson B. Kingston

Legal Director

P.O. Box 712

Ely, MN 55731

HUDSON@CUREMN.ORG

³⁶ ALJ Report at 66.