

- **MN PUC Comments on Petition for Approval of an Amendment to Electric Service Agreement between Verso Minnesota Wisconsin LLC and Minnesota Power**

These comments are in reference to the Petition for Approval of an Amendment to Electric Service Agreement between Verso Minnesota Wisconsin LLC and Minnesota Power.

My name is Mark Dylla and I have worked at the Verso Duluth Paper Mill for over 24 years. I was fortunate enough to land a job at the mill as a financial analyst so that I could move to Duluth -- I'm currently the Mill Controller. Though we have had several owners, the Duluth mill has been a great place to work and allowed me to remain in Duluth during which time I got married, and have four children – 2 now in college, one in high school, and one in elementary school. Duluth is an excellent place to raise a family, and having a good employer here has made living here possible.

Our facility is an important part of the NE MN economy. We employ 225 fulltime employees and have a payroll that exceeds \$25MM per year. Our mill contributes more than \$100MM annually to the economy of NE MN. We have a synergistic relationship with the MN Power Hibbard Renewable Energy Center. We purchase steam from this facility and supply bark as fuel to burn in their boilers. Our annual mill energy purchases approach \$40 million dollars. We are the largest customer of the City of Duluth for both Water and Electricity. We are the second largest customer of the Western Lake Superior Sanitary District. Finally each of our 225 manufacturing jobs has a ripple effect in sustaining another 3-4 jobs within our community as a result of our many suppliers, contractors, etc.

We manufacture both Recycle Pulp and Supercalendar Paper at the Duluth Mill. These are commodity products and as such have low profit margins. This is a very challenging market where we compete with manufacturers in Canada and Europe who often have competitive advantages in manufacturing costs. Everyone here at the mill has worked very hard over the years to continually find ways to reduce costs in order to remain a viable manufacturing location. We are now the only manufacturer of our grade of paper remaining in the United States. We have a great mill and even greater people who work here. The proposed amendment provides our mill with critical operating flexibility and energy cost reduction. It allows us to be more cost competitive in this very challenging global market. It also protects MN Power's other customers through an extended contract with a corporate guarantee and expedited weekly billing. Finally it supports the retention of an important MN Power customer and regional industrial employer. Please approve this amendment Thank you.