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**PUBLIC DOCUMENT
TRADE SECRET DATA EXCISED**

November 25, 2013

VIA ELECTRONIC FILING

Dr. Burl W. Haar
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101-2147

Re: Minnesota Power's Petition for Approval of an Amendment to the
Electric Service Agreement Between Boise, Inc. and Minnesota Power
Docket No. E015/M-13-_____

Dear Dr. Haar:

Minnesota Power hereby electronically submits its Petition for Approval of an
Amendment to the Electric Service Agreement Between Boise, Inc. and Minnesota Power.
An Affidavit of Service is included.

Please contact me at the number above if you have any questions regarding this filing.

Yours truly,

David R. Moeller

kl
Attachments
c: Service List

STATE OF MINNESOTA
BEFORE THE
MINNESOTA PUBLIC UTILITIES COMMISSION

In the Matter of a Petition for
Approval of an Amendment to
Electric Service Agreement Between
Boise, Inc. and Minnesota Power

PETITION FOR APPROVAL

Docket No. E015/M-13-_____

SUMMARY OF FILING

Minnesota Power has filed a Petition for Approval of an Amendment to Electric Service Agreement (“Amendment”) which provides for Boise, Inc. (“Boise”) to modify its commitment to purchase electric service requirements from Minnesota Power based on operational changes at its paper mill in International Falls, Minnesota. The Petition describes the Amendment and summarizes the benefits to both parties.

STATE OF MINNESOTA
BEFORE THE
MINNESOTA PUBLIC UTILITIES COMMISSION

In the Matter of a Petition for
Approval of an Amendment to
Electric Service Agreement Between
Boise, Inc. and Minnesota Power

PETITION FOR APPROVAL

Docket No. E015/M-13-_____

I. BACKGROUND

Minnesota Power has filed a Petition for Approval of an Amendment to Electric Service Agreement (“Amendment”) between Boise, Inc. and Minnesota Power dated November 15, 2013. The Amendment was developed in response to recent operational changes at the Boise International Falls paper mill and supports its long term competitive position. As explained in Section III below, the Amendment also includes a commitment from Boise to purchase all its electric service requirements from Minnesota Power for at least ten more years.

Boise is the third largest producer of office paper (uncoated freesheet) in North America with paper mills in three states. Paper demand is in cyclical decline, averaging 3% annually, with resultant soft pricing due to excess capacity. In response to these market conditions in May 2013, Boise announced the closure of two older, smaller paper machines (115,000 tons of capacity) and an off machine coater at the International Falls paper mill. In addition to reducing overall capacity, this closure allows Boise to move related paper production to other mills to increase its operating rates and competitive position. The paper machines were shutdown in early October 2013 and resulted in a reduction of 265 employees (200 union and 65 salaried) at the International Falls mill. It is important to note the International Falls mill continues to operate two larger cost competitive paper machines (approximately 400,000 tons of capacity) and directly

employs 580 people at the International Falls mill. Boise and its new owner, Packaging Corporation of America (“PCA”), have made a commitment to continue to make significant capital investments at the International Falls mill to upgrade its remaining production facilities and improve its competitive position.

This Petition identifies and discusses how the provisions in the Amendment function. This Petition provides the legal and regulatory policy support required for the Commission to find that the Amendment is in the public interest, and that an order approving the Petition should be issued. Section II of the Petition addresses procedural matters, including the need for trade secret treatment of the Amendment and a request for a variance. Individual provisions of the Amendment are reviewed and explained in Section III. This discussion addresses the Commission’s directive in Docket No. E015/M-08-1344 that Minnesota Power analyzes how the terms of the Amendment integrate with Minnesota Power’s LP Service Schedule. Section IV identifies and discusses the benefits that the Amendment will bring to Minnesota Power, its ratepayers, Boise, and the public.

Minnesota Power and Boise had previously entered into a restated electric service agreement dated May 10, 2002 (“2002 Agreement”) which the Commission subsequently approved in an order dated December 20, 2002.¹ The 2002 Agreement was amended in a letter dated December 10, 2008 and approved by the Commission in an order dated May 13, 2009.² It should be noted that the Amendment is substantially similar in terms to the 2002 Agreement except for provisions that modify some of Boise’s commitments.

¹ Docket No. E015/M-02-1527.

² Docket No. E015/M-08-1466.

II. PROCEDURAL ISSUES

In compliance with Minn. Stat. § 216B.05 of the Minnesota Public Utilities Act and the Commission’s rules promulgated thereunder, Minnesota Power files this Petition for Approval of the Agreement in Minnesota Power’s tariff book in Volume II, Section VII thereunder “Contracts not on Standard Form.” This means that upon Commission approval, Minnesota Power will submit a compliance filing to the Commission so that the modified Agreement will become part of Minnesota Power’s tariff book. Minn. Stat. § 216B.05, subd. 2a requires that:

A contract for electric service entered into between a public utility and one of its customers, in which the public utility and the customer agree to customer-specific rates, terms, or service conditions not already contained in the approved schedules, tariffs, or rules of the utility, must be filed for approval by the commission pursuant to the commission’s rules of practice. Contracts between public utilities and customers that are necessitated by specific statutes in this chapter must be filed for approval under those statutes and any rules adopted by the commission pursuant to those statutes.

For this Petition, the customer-specific terms and service conditions under the Amendment are spelled out in Section III.³ Under the Commission’s Rules of Practice and Procedure, filings that do not require a determination of a utility’s revenue requirement constitute “miscellaneous tariff filings” under Minn. Rules 7829.1300, and the Commission has treated all of Minnesota Power’s electric service agreements under the filing requirement, notice and comment provisions of this Rule. Additional information required by Minn. Rule 7829.1300 is provided below.

³ This Petition also intended to comply with the Commission’s February 26, 2009 Order in Docket No. E015/M-08-1344.

A. General Filing Information

1. Summary of Filing (Minn. Rules 7829.1300, subp. 1)

A one-paragraph summary accompanied the Petition.

2. Service on Other Parties (Minn. Rules 7829.1300, subp. 2)

Pursuant to Minn. Stat. § 216.17, subd. 3 and Minn. Rules 7829.1300, subp. 2, Minnesota Power eFiles the Petition on the Department of Commerce – Division of Energy Resources and serves a copy on the Minnesota Office of the Attorney General – Antitrust and Utilities Division. A summary of the filing prepared in accordance with Minn. Rules 7829.1300, subp. 1 is being served on all parties on its Large Power Service list.

3. Name, Address and Telephone Number of Utility (Minn. Rules 7829.1300, subp. 4(A))

Minnesota Power
30 West Superior Street
Duluth, MN 55802
(218) 722-2641

4. Name, Address and Telephone Number of Utility Attorney (Minn. Rules 7829.1300, subp. 4(B))

David R. Moeller
Senior Attorney
Minnesota Power
30 West Superior Street
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(218) 723-3963
dmoeller@allete.com

5. Date of Filing and Date Proposed Rate Takes Effect (Minn. Rules 7829.1300, subp. 4(C))

The Petition is being filed on November 25, 2013. As set forth below, Minnesota Power requests that the Amendment be effective January 1, 2014 and requests a variance from the 90 day notification requirement under Minn. Rules 7825.3200. Minnesota Power will continue to bill Boise in accordance with the current Agreement, recognizing that any rate change is not effective until Commission approval. If the Commission grants the variance, Minnesota Power will rebill Boise for lower demand revenues retroactive to January 1, 2014 and implement the remainder of the Amendment beginning on the first day of the calendar month following receipt of a written Commission Order approving the Amendment. Furthermore, Minnesota Power requests expedited treatment of this Petition to allow the Amendment to be effective as soon as possible regardless of whether the Commission grants the variance to alleviate the financial impact on Boise from continuing to operate under the 2002 Agreement given the operational changes that have occurred at the paper mill.

6. Statute Controlling Schedule for Processing the Filing (Minn. Rules 7829.1300, subp. 4(D))

This Petition is made in accordance with Minn. Stat. § 216B.05 and no statutorily imposed time frame for a Commission decision applies to this filing.

7. Utility Employee Responsible for Filing (Minn. Rules 7829.1300, subp. 4(E))

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8. Impact on Rates and Services (Minn. Rules 7829.1300, subp. 4(F))

The Petition in and of itself will have no effect on Minnesota Power's base rates.

9. Service List (Minn. Rules 7829.0700)

David R. Moeller
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B. Trade Secret Designation (Minn. Rule 7825.0500)

Pursuant to Minn. Stat. §§ 13.01 et seq. and Minn. Rule 7829.0500, Minnesota Power has designated portions of the Petition and the attached Exhibit as containing Trade Secret Information and these have been redacted as appropriate to reflect the Trade Secret nature of the documents. Trade Secret and Public copies of the Petition and Exhibit are being eFiled in accordance with the Commission's Rules and Minn. Stat. § 216.17, subd. 3. A statement regarding justification for excising Trade Secret information accompanies this Petition.

C. Variance on Effective Date (Minn. Rule 7825.3200)

Notwithstanding the date of Commission action or the date an Order is issued in this matter, because Minnesota Power and Boise desire that this Amendment be effective January 1, 2014, a variance to Minnesota Rule 7825.3200 in this matter is required under Commission precedent. Minn. Rule 7825.3200 requires that utilities serve notice to the Commission at least 90 days prior to the proposed effective date of modified rates. Under Minn. Rule 7829.3200, the Commission shall grant a variance to its rules when it determines that the following requirements are met:

- a. enforcement of the rule would impose an excessive burden upon the applicant or others affected by the rule;
- b. granting the variance would not adversely affect the public interest; and
- c. granting the variance would not conflict with standards imposed by law.

In this instance, enforcement of the rule would obviate Boise's desire to achieve the benefits of the Amendment as of January 1, 2014. Minnesota Power will continue to bill Boise in accordance with the current Agreement, recognizing that any rate change is not effective until Commission approval. If the Commission grants the variance, Minnesota Power will rebill Boise for lower demand revenues retroactive to January 1, 2014 and implement the remainder of the Amendment beginning on the first day of the calendar month following receipt of a written Commission Order approving the Amendment. Enforcement of the Rule requiring 90-day notice would impose an excessive burden, considering Boise will not be able to have an Agreement effective that matches its current operational changes.

Minnesota Power and Boise began negotiations on this Amendment immediately after the public announcement regarding the operational changes at the International Falls paper mill, but due to the time necessary to obtain internal corporate approvals and Boise's subsequent purchase by PCA, the Amendment was not executed until November 15, 2013. A January 1, 2014 effective date would also allow the term of the Agreement to be a full ten years, consistent with the LP Service Schedule as discussed below.

The Commission specifically addressed a similar issue in approving the 2008 Amendment⁴ to Boise's 2002 Electric Service Agreement and has granted other variances related to agreements with Minnesota Power's Large Power and Large Light & Power customers.⁵ Minnesota Power is not aware of any reason why granting the variance in

⁴ Docket No. E015/M-08-1466.

⁵ *In the Matter of a Petition by Minnesota Power for Approval of an Amended and Restated Electric Service Agreement with Ispat Inland Mining Company*, Order dated November 15, 2005, Docket No.

this instance would adversely affect the public interest. Granting of the variance would also not conflict with standards imposed by law or rules governing the Commission's actions.

III. THE AMENDMENT

Individual provisions of the Agreement are reviewed and explained below. This discussion addresses the Commission's directive in Docket No. E015/M-08-1344 that Minnesota Power analyzes how the terms of the Amendment integrate with Minnesota Power's LP Service Schedule. The most important component of this Amendment from Minnesota Power's perspective is Boise's commitment to purchase all of its electric service requirements for Boise's International Falls paper mill from Minnesota Power through at least 2023. With this additional commitment from its 7th largest customer, Minnesota Power gains additional certainty regarding its ability to manage generating capacity and plan for future needs of all its ratepayers.

1. Paragraph 2. Term of Agreement.

The Amendment benefits Minnesota Power and its ratepayers by assuring Minnesota Power that it will be entitled to provide Boise's electric service requirements at its International Falls Mill through at least December 31, 2023 without any right of prior termination under the Large Power Service Schedule ("LP Service Schedule"). Currently, Boise's Agreement term is from through December 31, 2013, and continues thereafter on a rolling two-year basis until a cancellation notice is issued by either party. Under the Amendment the rolling two-year basis is continued.

As was the case under Boise's existing Agreement and with other Large Power customers, the standard LP Service Schedule language requiring a ten-year agreement and four-year cancellation requirement is not applied to Boise because of its long history

E-015/M-05-1496; *Minnesota Power's Petition for Approval of an Electric Service Agreement with Enbridge Energy, Limited Partnership*, Order dated December 22, 2009, Docket No. E015/M-09-891.

on Minnesota Power's system and the fact that the 2002 Agreement or the amendment in 2007 did not have the same requirement.⁶ In addition, the LP Service Schedule provides: "That the minimum contract term and cancellation notice period are subject to waiver with the approval of the Commission for good cause shown by the customer or Company." Minnesota Power believes that it is reasonable to offer existing LP customers who are extending contracts less than a four-year cancellation notice. The negotiated additional ten years to the term of the Agreement is longer than Boise's existing two-year obligation. Also, this contract term is comparable to the terms Minnesota Power obtained from other existing Large Power customers in similar circumstances.⁷ With this new commitment, Minnesota Power gains additional certainty regarding its ability to manage generating capacity and plan for future needs of all its ratepayers. Therefore, Minnesota Power requests Commission approval to continue to waive the minimum four-year cancellation provisions in the LP Service Schedule.

2. Paragraph 3(B) – Incremental Service Requirement

Paragraph 3(B) establishes a lower Incremental Service Requirement (take-or-pay) of [TRADE SECRET DATA EXCISED]. Boise's current Incremental Service Requirement is [TRADE SECRET DATA EXCISED]. In addition, Boise Contract Demand is the minimum 10,000 kW as required under the LP Service Schedule. Therefore, under the terms of this Amendment Boise's minimum Service Requirement (Contract Demand plus Incremental Service Requirement is reduced from [TRADE SECRET DATA EXCISED] per month. Based on this nomination, Boise will purchase the majority of its power and energy requirements as firm service under the Firm and Excess Energy provisions of the LP Service Schedule.

⁶ See also, the Department of Commerce's October 17, 2002 Comments in Docket No. E015/M-02-1527 at 4.

⁷ US Steel's combined term is through at least October 31, 2014, Order dated September 9, 2005, Docket No. E-015/M-05-1175; ArcelorMittal USA – Minorca Mine's term is through at least December 31, 2013, Order dated November 15, 2005, Docket No. E-015/M-05-1496; NewPage's term is through at least December 31, 2022, Order dated December 10, 2012, Docket No. E-015/M-12-1025.

These new purchased power demand levels reflect the changed operating environment at the mill. With the closure of two paper machines, Boise's total mill load has dropped from [TRADE SECRET DATA EXCISED] to approximately [TRADE SECRET DATA EXCISED]. Boise's steam load and related self-generation capability (five turbines located in the mill) was also reduced. Historically, Boise has nominated [TRADE SECRET DATA EXCISED] of power from Minnesota Power. Under terms of the current contract Boise's minimum nomination is [TRADE SECRET DATA EXCISED] which is [TRADE SECRET DATA EXCISED] more than required in the new operating environment. With this Amendment Minnesota Power and Boise agree to appropriately modify Boise's Service Requirement to support the long term competitive position of the International Falls mill.

3. Paragraphs 3(G and H). Decreases in Service Requirement

Paragraph 3(G) allows for reductions in the Service Requirement levels to [TRADE SECRET EXCISED] in the event of a permanent facility shutdown. The LP Service Schedule does not address decreases in service requirement for permanent facility shutdowns.

Paragraph 3(H) provides a modest, yet similar potential benefit to Boise and protection to Minnesota Power. As noted above Boise continues to operate two paper machines at the International Falls site. Paper Machine #1 is the larger and newer machine. Paper Machine #3 is smaller and older and is more subject to competitive pressure over the contract term. Paragraph 3(H) addresses the permanent closure of Paper Machine #3, allowing for reductions in the Service Requirement levels to [TRADE SECRET DATA EXCISED]. This provision provides Minnesota Power limited protection that even if Boise permanently shuts down Paper Machine #3, it will continue to pay demand charges for [TRADE SECRET EXCISED]. The LP Service Schedule does not address decreases in service requirement for partial facility shutdowns.

4. New Paragraph 3(I). Energy Efficiency Improvements

Boise and Minnesota Power share a commitment to continue to improve the production efficiency at the International Falls facility. New Paragraph 3(I) encourages continued energy efficiency by providing a flexible mechanism for Boise to realize the benefits of continued electric energy efficiency investments. The LP Service Schedule does not address energy efficiency improvements.

5. New Paragraph 6(O). Weekly Expedited Billing

Boise has agreed to be billed under the terms of the Company's Rider for Expedited Billing Procedures Large Power Class with a few minor accounting-related modifications as discussed below. As currently approved the existing Rider for Expedited Billing Procedures ("Rider") is applicable to 'taconite producing customers taking Large Power Service' and there is not an applicable tariff that applies to Boise. Furthermore, Boise's internal accounting procedures did not correspondence with all of the provisions of the existing Rider for Expedited Billing Procedures.

The Rider reduces the Company's financial exposure from six weeks to two weeks. Boise receives the time value of money for any overpayment in the prior month. Minnesota Power agreed to two modifications to the Rider to accommodate Boise's unique accounting system:

Due Date – Boise's estimated weekly billing is due in six (6) business days rather than the 'seven (7) days' defined in the Rider.

Credit – Boise will receive any credit associated with the time value of funds made available to Minnesota Power earlier than such funds otherwise would have been available under the Company's standard monthly billing cycle as a credit applied to the weekly bill following the due date of the standard month billing cycle, rather than receiving a wire transfer of the credit.

The Company believes both modifications to be appropriate for Boise given that Boise is not a taconite customer, and is also a suitable way to enroll Boise in the expedited billing and payment program which beneficially reduces the Company's payment risk.

IV. PUBLIC INTEREST

Minnesota Power's contractual arrangements with its LP customers have always created significant fixed cost recovery assurances upon which Minnesota Power and its ratepayers could depend. This Amendment continues and extends these fixed cost recovery assurances while also providing Boise with competitive electric service and operational flexibility acknowledging the mill's changed circumstances and challenging competitive environment. Under the Amendment, assuming for purposes of this Petition a January 1, 2014 effective date, Minnesota Power will realize a minimum of **[TRADE SECRET DATA EXCISED]** in demand revenues alone between January 2014 and December 2023. The commitments within the Agreement represent a major contribution toward fixed cost recovery on Minnesota Power's system. Through this commitment a critical aspect of previous electric service agreements has been maintained, namely that Minnesota Power and its ratepayers are not subject to the full brunt of cyclical changes in the market for pulp and paper products.

As the preceding analysis demonstrates, Boise's minimum service requirement commitments are very significant. When these commitments are coupled with Boise's obligation to purchase all of its electric service needs from Minnesota Power for at least ten additional years, as provided in the Amendment, all of Minnesota Power's other ratepayers will find themselves in a better situation than they would otherwise be without this Amendment. No one knows what events await Minnesota Power's other LP customers who play such a critical role in Minnesota Power's financial well-being. As occurred just a few years ago, if Minnesota Power were to face the shutdown of any LP

customer, the scenario for all ratepayers would look much bleaker without this Agreement and the corresponding revenue assurances it provides.

The positive impacts that this Agreement will bring to all interested parties are significant and far reaching. Minnesota Power and its ratepayers stand to benefit from the long-term commitments that Boise has provided regarding its electric service needs. Boise stands to gain from continuing to receive electric service at competitive rates as well as maintaining operational flexibility. In addition to the parties directly affected, this Amendment is supportive of the regional economy in that it is beneficial to a major regional industrial operation and employer, especially in Koochiching County.

The benefits mentioned in the preceding paragraphs will be realized without any substantial changes to rates provided in Minnesota Power's approved tariffs. The terms of this Amendment are appropriate given Minnesota Power's and Boise's needs and unique circumstances. In accordance with the requirements of Minn. Stat. §§ 216B.03, .06, and .07, Minnesota Power has always applied the LP Service Schedule and the service agreements it enters into thereunder in a fair and equitable manner between and among its LP customers. Minnesota Power intends to continue this practice by making similar terms and conditions available to other LP customers who make similar commitments to Minnesota Power. Accordingly, the Amendment meets the public interest requirements of the Minnesota Public Utilities Act.

V. CONCLUSION

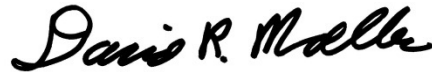
Minnesota Power and Boise have reached agreement on an extension of a mutually beneficial contractual arrangement that provides Minnesota Power and its ratepayers with considerable revenue stability. This Amendment responds to Boise's new production environment and provides Boise with competitive electric rates and operational flexibility for its International Falls facilities. This Amendment, along with other similar electric service agreements recently approved by the Commission, will

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provide a foundation from which Minnesota Power can develop and implement strategies for maintaining its position as an economic and reliable electric supplier into the next decade. For all of the reasons set forth in this Petition, Minnesota Power respectfully requests that the Commission issue an Order approving this Petition and the Amendment in an expedited manner.

Dated: November 25, 2013

Respectfully submitted,



David R. Moeller
Senior Attorney
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Duluth, MN 55802
(218) 723-3963
dmoeller@allete.com

**2013 AMENDMENT TO ELECTRIC SERVICE AGREEMENT
BETWEEN BOISE, INC. AND MINNESOTA POWER**

THIS 2013 AMENDMENT to the AGREEMENT, is entered into this ___ day of October, 2013 between BOISE, INC. hereinafter called “Customer,” and MINNESOTA POWER, hereinafter called “Company,” such parties also being hereinafter referred to individually as “Party” or collectively as “Parties.”

WHEREAS, Minnesota Power (“MP”) and Boise, Inc. (“Boise”) are parties to an Electric Service Agreement (“Agreement”) dated May 10, 2002, and approved by the Minnesota Public Utilities Commission (“Commission”) or (“MPUC”) in an order dated December 20, 2002 in MPUC Docket No. E015/M-02-1527;

WHEREAS, the Agreement was amended in a letter dated December 10, 2008, and approved by the Commission in an order dated May 13, 2009 in MPUC Docket No. E015/M-08-1466;

WHEREAS, Boise has announced operational changes at its paper mill in International Falls, Minnesota;

WHEREAS, MP and Boise agree that further amendments to the Agreement are in the the best interest of both Parties;

NOW THEREFORE, in consideration of these premises, the Parties hereto agree to amend the Agreement as follows:

1. The first paragraph of Paragraph 2 is deleted in its entirety and replace with the following:

2. TERM OF AGREEMENT

This Agreement shall be effective upon Commission approval, with the initial term of this Agreement extending through December 31, 2023 without any right of prior termination. Service shall continue thereafter until and unless this Agreement is terminated in accordance with its terms. Either Party may terminate this Agreement by written notice to the other delivered at least two years prior to termination, provided, however, that termination shall not be effective prior to 11:59 p.m. on December 31, 2023 or a later date of termination specified at least two years in advance.

2. Paragraph 3B. – Incremental Service Requirement is changed to [**TRADE SECRET DATA EXCISED**].

3. A new Paragraph 3(G) is added:

G. Decreases in Service Requirement for Permanent Facility Shutdown -

In the event of a permanent cessation of operations at the Customer's International Falls Paper Mill, Customer may notify the Company in writing at least [TRADE SECRET DATA EXCISED] in advance that Customer is invoking its right to reduce the Service Requirement to [TRADE SECRET DATA EXCISED] kW which reduction shall be come effective on the [TRADE SECRET DATA EXCISED] anniversary of such notice. In no event shall the provision of this Paragraph be effective prior to [TRADE SECRET DATA EXCISED] after the date of such notification. Customer's rescission or modification of such notice shall be permitted only at the sole discretion of the Company.

4. A new Paragraph 3(H) is added:

H. Decreases in Service Requirement for Partial Facility Shutdown -

In the event of a permanent cessation of Paper Machine #3 operations at the Customer's International Falls Paper Mill, Customer may notify the Company in writing at least [TRADE SECRET DATA EXCISED] in advance that Customer is invoking its right to reduce the Incremental Service Requirement to [TRADE SECRET DATA EXCISED] kW which reduction shall become effective at the start of the next pool season and no earlier than [TRADE SECRET DATA EXCISED] from notification. Customer's rescission or modification of such notice shall be permitted only at the sole discretion of the Company.

5. A new paragraph 3(I) is added:

Energy Efficiency Improvements – In the event of planned production efficiency improvements at Customer's facility that will result in a permanent demand reduction greater than [TRADE SECRET DATA EXCISED], Customer shall notify Company of such proposed permanent reduction and both Parties agree to discuss, in good faith, necessary Agreement modifications.

6. A new Paragraph 6(O) is added:

O. Weekly Expedited Billing.

Service provided under this Agreement shall be billed under terms consistent with those defined in the Company's Rider for Expedited Billing Procedures Large Power Class as approved by the Commission in Docket No. E015/GR-87-223 except as modified below. Bill payment is due in "same day funds" six (6) business days following issuance of the bill, the "Due Date" for payment. Weekly billing is based on estimated electric service usage, including the minimum demand charge, and not on an actual meter reading.

Weekly billing payment received and charges for actual electric service usage will be reconciled each month.

Customer will receive credit for weekly billing payment reflecting the time value of funds made available to Company earlier than such funds otherwise would have been available under the Company's standard monthly billing cycle. The credit will be applied to the weekly bill following the due date of the standard month billing cycle

7. Except as changed and amended herein, the Agreement shall remain in full force and effect in accordance with all of its term and conditions and neither Party shall be deemed to have waived any of its rights under the Agreement.

8. This Amendment shall be effective upon approval or acceptance by any regulatory body having jurisdiction thereof.

IN WITNESS WHEREOF, the Parties have executed it by their duly authorized officers as of the date first written above.

BOISE, INC.

By: _____

Title: _____

MINNESOTA POWER

By: _____

Patrick K. Mullen

Vice President - Marketing and Corporate Communications

STATE OF MINNESOTA)
) ss
COUNTY OF ST. LOUIS)

AFFIDAVIT OF SERVICE VIA
ELECTRONIC FILING

Kristie Lindstrom of the City of Duluth, County of St. Louis, State of Minnesota, says that on the 25th day of November, 2013, she served Minnesota Power's Petition for Approval of an Amendment to the Electric Service Agreement between Boise, Inc. and Minnesota Power to the Minnesota Public Utilities Commission and the Energy Resources Division of the Minnesota Department of Commerce via electronic filing. The remaining parties on the attached service list were served the Summary as so indicated on the list.

/s/ Kristie Lindstrom

Subscribed and sworn to before
me this 25th day of November, 2013.

/s/ Sheryl A Miskowski

Notary Public - Minnesota
My Commission Expires January 31, 2015

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Gary	Anderson	N/A	Stora Enso	Duluth Paper Mill 100 N. Central Avenue Duluth, MN 55807	Paper Service	No	GEN_SL_Minnesota Power_Large Power Service List
William	Bond	william.bond@arcelormittal.com	ArcelorMittal USA - Minorca Mine Inc.	PO Box 1 5950 Old Highway 53 Virginia, MN 55792	Electronic Service	No	GEN_SL_Minnesota Power_Large Power Service List
Greg	Chandler	greg.chandler@upm-kymmene.com	UPM Blandin Paper	115 SW First Street Grand Rapids, MN 55744	Paper Service	No	GEN_SL_Minnesota Power_Large Power Service List
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 500 Saint Paul, MN 551012198	Electronic Service	Yes	GEN_SL_Minnesota Power_Large Power Service List
Burl W.	Haar	burl.haar@state.mn.us	Public Utilities Commission	Suite 350 121 7th Place East St. Paul, MN 551012147	Electronic Service	Yes	GEN_SL_Minnesota Power_Large Power Service List
Shane	Henriksen	shane.henriksen@enbridge.com	Enbridge Energy Company, Inc.	1409 Hammond Ave FL 2 Superior, WI 54880	Electronic Service	No	GEN_SL_Minnesota Power_Large Power Service List
James	Jarvi	N/A	Minnesota Ore Operations - U S Steel	P O Box 417 Mountain Iron, MN 55768	Paper Service	No	GEN_SL_Minnesota Power_Large Power Service List
Gerald P.	Kohanski	gpkohanski@cleveland-cliffs.com	Cleveland-Cliffs Inc.	Suite 1500 1100 Superior Avenue Cleveland, OH 441142518	Paper Service	No	GEN_SL_Minnesota Power_Large Power Service List
Michael	Krikava	mkrikava@briggs.com	Briggs And Morgan, P.A.	2200 IDS Center 80 S 8th St Minneapolis, MN 55402	Electronic Service	No	GEN_SL_Minnesota Power_Large Power Service List
Ed	LaTendresse	N/A	Hibbing Taconite	P O Box 589 Hibbing, MN 55746	Paper Service	No	GEN_SL_Minnesota Power_Large Power Service List
John	Lindell	agorud.ecf@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012130	Electronic Service	Yes	GEN_SL_Minnesota Power_Large Power Service List

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Jay	Lofgren	bademailjaylofgren@boisepaper.com	Boise, Inc.	Paper Division 400 - 2nd Street International Falls, MN 56649	Paper Service	No	GEN_SL_Minnesota Power_Large Power Service List
Sarah	Manchester	N/A	Sappi Fine Paper North America	255 State St Fl 4 Boston, MA 02109-2617	Paper Service	No	GEN_SL_Minnesota Power_Large Power Service List
Keith	Matzdorf	keith.matzdorf@sappi.com	Sappi Fine Paper North America	PO Box 511 2201 Avenue B Cloquet, MN 55720	Electronic Service	No	GEN_SL_Minnesota Power_Large Power Service List
David	Moeller	dmoeller@allete.com	Minnesota Power	30 W Superior St Duluth, MN 558022093	Electronic Service	Yes	GEN_SL_Minnesota Power_Large Power Service List
Andrew	Moratzka	apmoratzka@stoel.com	Stoel Rives LLP	33 South Sixth Street Suite 4200 Minneapolis, MN 55402	Electronic Service	No	GEN_SL_Minnesota Power_Large Power Service List
Ralph	Riberich	rriberich@uss.com	United States Steel Corp	600 Grant St Ste 2028 Pittsburgh, PA 15219	Electronic Service	No	GEN_SL_Minnesota Power_Large Power Service List
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