FOR THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF MINNESOTA

121 Seventh Place East, Suite 350
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In the Matter of the Petition of Minnesota Power for the Acquisition of ALLETE by Canada Pension Plan Investment Board and Global Infrastructure Partners	PUC Docket No. E015/PA-24-198 OAH Case No. 25-2500-40339 **REPLY COMMENT**

Pursuant to the notice of comment ("Notice") issued by the Minnesota Public Utilities Commission ("Commission") on July 18, 2025, the Large Power Intervenors ("LPI") submit this reply comment on the Administrative Law Judge's ("ALJ") Findings of Fact, Conclusions of Law and Recommendations ("ALJ Report") issued in this matter on July 15, 2025. As discussed herein, LPI fully supports the ALJ Report and requests the Commission adopt the ALJ Report in its entirety.

I. INTRODUCTION

The ALJ Report represents a thorough review of the fulsome record in this proceeding, containing well-supported conclusions and findings that follow the record. The exceptions of ALLETE, Inc. d/b/a Minnesota Power, Canada Pension Plan Investment Board and Global Infrastructure Partners ("GIP" and, together, "the Partners" and, collectively with the Company, "the Petitioners") insolently take issue with nearly every aspect of the ALJ Report under the guise that it is "deficient" or "inappropriate,"[1] using a tone unseen in Minnesota regulatory proceedings and demonstrating an utter lack of respect for the Minnesota regulatory process. In so doing,

[1] Petitioners' Exceptions to ALJ at 4, 18 (Aug. 4, 2025) (eDocket No. 20258-221744-02) ("Petitioners' Exceptions").

Petitioners refuse to provide any substantive responses to various intervenors' concerns or develop creative or innovative methods for addressing documented issues with the Proposed Acquisition. Furthermore, Petitioners have continually introduced new evidence in an attempt to fix a failing record.[2] LPI reiterates its request that the Commission adopt the ALJ Report in full, including to require Minnesota Power to "provide the full accounting of costs that were incurred in negotiating the proposed acquisition and seeking its regulatory approvals, including the employee time spent in pursuing the acquisition."[3]

II. ANALYSIS

Petitioners' Exceptions include numerous significant misrepresentations. LPI will address those misrepresentations, in turn, after highlighting the disappointing and troubling tenor of the Petitioners' Exceptions.

A. The Egregious Tone of Petitioners' Exceptions Demonstrate a Lack of Respect for the Regulatory Process

Unfortunately, Petitioners go beyond simply requesting the entire ALJ Report be overturned, choosing to question the intentions and integrity of the ALJ. Taking multiple swings, Petitioners suggest the ALJ's findings were "inappropriate and insulting," "cavalier," "inequitable," and "a sign of deep disrespect."[4] Petitioners go so far as to say the ALJ acted with

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[2] E.g., Petitioners' Exceptions at 61 (discussing the Clean Firm Technology Fund in an effort to cure deficiencies in its evidence that it will comply with the Carbon Free Standard); Petitioners' Exceptions at Attach. B, pg. 1 (claiming the Settlement added "30 new commitments" despite evidence to the contrary and a refusal by Petitioners to answer discovery on this precise topic, as LPI addressed in detail in its initial comment on the Settlement); and Attach. C (adding new tables and graphs that were not attached to witness testimony or admitted during the evidentiary hearing process).

[3] ALJ Report at 68, P 2.

[4] Petitioners' Exceptions at 18.

"carelessness."[5] To suggest an ALJ, who spent extensive time reviewing pre-filed testimony and multiple days attentively listening to arguments before her, and reviewed an extremely fulsome record to produce her well-supported ALJ Report, has somehow been careless or irresponsible because she found against the Petitioners is unfair and inappropriate.[6] Exceptions exist to provide parties an avenue through which to rebut the findings and conclusions of an ALJ. As such, Petitioners may argue the merits of the decision or provide evidence to substantively rebut the ALJ's findings. Indeed, that is what Petitioners represented they would do – respect the regulatory process. Notwithstanding their claimed commitments of "respect for the regulatory compact and the regulatory framework in Minnesota,"[7] the Partners "affirm[ing] that they are committed to the regulatory process in Minnesota and the jurisdiction of the Commission,"[8] and that the Partners "recognize that failure to respect the regulatory compact adequately…could harm GIP's reputation and potentially affect its existing regulated investments,"[9] Petitioners submit what can only be described as petulant commentary that appears to be an attempt to browbeat the state into accepting the Proposed Acquisition. To be clear, personally attacking an ALJ has no place in the Minnesota regulatory process. To nonetheless do exactly that is a reflection on the Petitioners and their alleged "commitments" to the regulatory process in Minnesota.

The exceptions from LIUNA Minnesota and North Dakota ("LIUNA") use similar inflammatory phrases in an attempt to undermine the ALJ's credibility, calling the Report

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5 Petitioners' Exceptions at 21, n.81.

6 The CAH website reiterates the values of: "[a]pplying the law impartially, competently, and diligently," and "[f]ully considering information from everyone involved." Accessible here: https://mn.gov/oah/about-us/vision-mission-values/.

7 Ex. MP-27 at 9:21-23 (Cady Rebuttal).

8 Ex. MP-31 at 54:20-21 (Alley Rebuttal).

9 Ex. MP-33 at 36:15-17 (Bram Rebuttal).

"lopsided," containing "badly-skewed conclusions," "worthless," and ponders whether the ALJ "did not bother to read [the evidence] at all."[10] LIUNA characterizes the ALJ's decision not to cite its witness as "blindness," positing the ALJ "used a magic eraser to wipe away inconvenient testimony," and made "willful erasures" that necessitate a "brand new ALJ."[11] Like Petitioners, LIUNA's exceptions are unfortunately scant on substantive rebuttal. The attacks launched on the ALJ defy the norms of the contested case process and should be ignored by the Commission.

Furthermore, when the Commission evaluates the ALJ Report, it will find the ALJ took a "hard look" at the case through genuine engagement and "reasoned decision-making," as demonstrated by her thorough review of the record and diligent participation throughout the proceedings, confirming as deeply inaccurate any characterizations to the contrary.[12] Nothing about this effort, or the ALJ Report, was arbitrary or capricious. The Commission should see these inappropriate responses to the ALJ Report for what they are – distractions from the fact that the Acquisition, as proposed, does not comport with the public interest. Any attempts to rescue this failure through harsh language or misleading statements should fall short of satisfying the applicable burden.

B. The Petitioners Misrepresent Ratepayer Benefits in Attachment C

LPI takes issue with Petitioners' Attachment C, containing a new graph that has not been produced by the Petitioners that they claim shows the Proposed Acquisition's benefits. While

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[10] LIUNA Minnesota and North Dakota ("LIUNA") Comments and Exceptions at 4 (Aug. 5, 2025) (eDocket No. 20258-221753-01) ("LIUNA Exceptions").

[11] LIUNA Exceptions at 4-5.

[12] *Matter of Denial of Contested Case Hearing Requests*, 993 N.W.2d 627, 660 (Minn. 2023) ("In applying the arbitrary or capricious standard, we consider whether 'a combination of danger signals' suggests that 'the agency has not taken a "hard look" at the salient problems' and 'has not genuinely engaged in reasoned decision-making.'").

some of the information in Attachment C appears in other documents in the record, this latest iteration purports to visualize all the "benefits" the proposed settlement stipulation ("Settlement") commitments will bestow on ratepayers. However, as LPI's initial comments on the Settlement detailed, of the "more than 70 discrete terms," only a few are truly new.[13] The new commitments do little to mitigate the substantial harm the Proposed Acquisition poses to ratepayers.[14] Perhaps most egregiously, Attachment C claims financial benefits of $132 million. Comprising this $132 million, the Petitioners claim "a combination of one-time cost savings and cost reductions over time," citing Attachment C.[15] Between Attachment C and the two sentences offered in the body of their exceptions, Petitioners offer little explanation as to what savings truly comprise the $132 million.[16] But even a cursory review demonstrates that the savings are either illusory or overstated. For example, maintaining existing commitments on collective bargaining agreements,[17] charitable contributions, and economic development are simply continuations of the status quo – not benefits. Other alleged commitments, such as the Clean Firm Technology Fund, assume that the entirety of the commitment is made in the year 2026, which is actually contrary to the terms of paragraph 1.63 of the Settlement. Petitioners' failure to adequately explain Attachment C in their exceptions,

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13 LPI Initial Comment on Proposed Settlement at 5 (Aug. 4, 2025) (eDocket No. 20258-221758-01) ("LPI Initial Comment on Proposed Settlement").

14 *See* LPI Initial Comment on Proposed Settlement at 6-12.

15 Petitioners' Exceptions at 36.

16 Petitioners' Exceptions at 36 ("As described above, the Petitioners have committed to a wide range of rate reductions, non-recoverable investments, and a rate case stay-out that will mitigate rate impacts for customers. Through a combination of one-time cost savings and cost reductions over time, these financial benefits are estimated to save customers approximately $132 million.").

17 Attachment C characterizes this as an "extension of existing collective Bargaining Agreement for 2 years starting 2026," which appears to simply be a reflection of the previously described status quo that "[a]pproval of the Acquisition further ensures the Company will be able to and will provide compensation and benefits to employees at their current level for at least two more years, providing important certainty to employees during a period of transition that allows Minnesota Power to continue to recruit and retain a talented workforce." Ex. MP-27 at Sched. 1, pg. 4 of 7 (Cady Rebuttal).

or produce it as part of testimony to afford parties the opportunity to conduct discovery, incorporate a response into testimony, or otherwise address it during the evidentiary hearing process are additional reasons for the Commission to disregard the alleged values contained in Attachment C.

C. The Petitioners Misrepresent the Evidentiary Hearing Process by Inappropriately Accusing Various Intervenors of Employing "Litigation Tactics"

Petitioners complain that intervenors made a "tactical litigation decision" not to cross-examine their witnesses (a decision the ALJ also made).[18] In addition to the Application itself, Petitioners witnesses provided multiple rounds of written testimony on which intervenors and the ALJ relied. Intervenors are not to blame if Petitioners failed to meet their burden of proof through these submissions. Minnesota law does not direct that each witness in a contested case be questioned, nor does it provide such as a right. Petitioners were represented by "numerous skilled national law firms and **dozens of attorneys**," who were well-equipped to respond to any unexpected events during litigation.[19] Further, LPI cannot help but recognize the irony in that Petitioners themselves have been warned for their employment of suspect litigation tactics throughout the proceeding (e.g., the so-called "drafting error" that was in fact a late attempt by the Petitioners to change the substance of a document, and which the ALJ found had "absolutely no credibility").[20] Intervenors' decision not to cross-examine certain of the Petitioners' witnesses was well within the norm of a contested case proceeding, and should not be inappropriately characterized as a "tactical litigation decision"[21] that somehow deprived Petitioners of some right.

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18 Petitioners' Exceptions at 21.

19 ALJ Report at 73, n.605 (emphasis added).

20 ALJ Report at 73, n.605.

21 Petitioners' Exceptions at 21.

D. The Petitioners Misrepresent the Value of the ALJ's Efforts in Overseeing the Contested Case and Producing the ALJ Report

Petitioners' Exceptions take issue with the ALJ Report, fundamentally, because the ALJ Report finds Petitioners' arguments unpersuasive and lacking credibility. Rather than bolster their arguments with substantive information, creative solutions, or credible evidence, the Petitioners spend a substantive chunk of their Exceptions attacking the ALJ Report and the ALJ herself, contending the ALJ's general adoption of the Public Interest Intervenors' Joint Proposed Findings somehow dilutes the thoroughness or value of the ALJ Report. As described below, the Petitioners' characterization of Minnesota law to support their complaints paints an inaccurate picture and fails to acknowledge the ALJ's discretion to adopt proposed findings to the degree her review of the evidence warrants.

1. Minnesota Law Allows Wholesale Adoption of Proposed Findings

Petitioners claim the ALJ Report is "so deficient," they "cannot meaningfully recommend individual changes to the Report" – yet they provide 70 pages of Exceptions.[22] Petitioners' inability to meaningfully address the deficiencies in their arguments speaks to the fact that none exist. Petitioners' behavior is a perpetuation of a glaring issue experienced by intervenors throughout this proceeding – Petitioners have continually failed to adequately address the substantive issues with the Proposed Acquisition or credible concerns raised by intervenors. At this point, LPI can only conclude this is because no suitable defenses to its credible concerns exist.

Petitioners take issue with the ALJ's reliance on the Public Interest Intervenors' Joint Proposed Findings throughout her report.[23] Petitioners understand that "[t]he fundamental purpose

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[22] Petitioners' Exceptions at 4.

[23] Petitioners' Exceptions at 5-6.

of a report from an ALJ is to provide a complete account and analysis of the full record so that the Commission can exercise its independent judgment and fulfill its ultimate decision-making responsibility."[24] Yet, Petitioners claim the ALJ Report, which constitutes a complete account and analysis of the fulsome record, is deficient because it "does not provide a balanced and accurate account of the record," and "completely ignor[es] and trivializ[es] the evidence and arguments provided by the Petitioners…."[25] However, Petitioners' fail to consider that the ALJ Report did not adopt their proposed findings because the ALJ found their evidence lacked credibility and did not sufficiently address the potential harms of the Acquisition.[26] Furthermore, Minnesota courts have time and again affirmed the ability of a fact finder to adopt the findings of one party in their entirety. For example, the Minnesota Court of Appeals has stated "the verbatim adoption of a party's proposed findings and conclusions of law is not reversible error per se."[27] In fact, the Court of Appeals has stated it will "continue to recognize the acceptability of this practice."[28] Therefore, the ALJ has discretion to adopt proposed findings to the degree needed.

Furthermore, the ALJ in this proceeding did not wholesale adopt the proposed findings of the Joint Intervenors – in fact, as Attachment E of the Petitioners' Exceptions shows, the ALJ made several additions to the proposed findings (e.g., including the fact that the Partners were the only bidders for the Company,[29] and that the Acquisition will create unacceptable risks of rate increase

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24 Petitioners' Exceptions at 3.

25 Petitioners' Exceptions at 4.

26 E.g., ALJ Report at 27-28, PP 130-31; ALJ Report at 38, P 131; ALJ Report at 30, P 135.

27 *Bliss v. Bliss*, 493 N.W.2d 583, 590 (Minn. Ct. App. 1992); *see Sigurdson v. Isanti County*, 408 N.W.2d 654, 657 (Minn. App. 1987), *pet. for rev. denied* (Minn. Aug. 19, 1987).

28 *Bliss,* 483 N.W.2d at 590.

29 ALJ Report at 8, P 38

and rate shock).[30] The Petitioners bear the burden to demonstrate the Proposed Acquisition comports with the public interest. If the evidence they provide does not effectively meet that burden, Petitioners should look to provide more credible evidence or generate new solutions to mitigate risk of harm documented in the record, not disparage the ALJ Report.

2. The Standard of Review Applied by the ALJ is Proper

The ALJ correctly identified and applied the "net benefit" standard of review in this case, despite Petitioners' contentions to the contrary.[31] Even under the lower "no harm" standard, the ALJ Report found that "[t]he proposed deal is inconsistent with the public interest under either standard because it results in net harm to the public interest."[32] The ALJ's findings are based on the Petitioners' failure to advance a reasoned theory to overcome (1) the critiques that the capital plan is overstated; (2) the fact that the only entities willing to proceed with the Acquisition are two overly aggressive and litigious companies; (3) and that granting the petition would be inconsistent with the public interest.[33] If Petitioners could provide evidence that the Proposed Acquisition will provide net benefits to ratepayers, they would. However, their vociferous arguments against being made to do so underscore that they cannot provide evidence to that effect and refuse to offer meaningful commitments to ratepayers to overcome this failure. LPI is therefore forced to continue objecting to the Proposed Acquisition as inconsistent with the public interest and

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30 ALJ Report at 39, P 173.

31 ALJ Report at 71 ("The net benefit standard protects customers who will ultimately bear the risks created by the transaction. The standard thus best fits the intent of the Legislature to ensure that utility services in Minnesota are provided reliably and at reasonable rates. The net benefit standard also best addresses how the Commission has, in practice, considered cases under Minn. Stat. § 216B.50 and comports with how many other jurisdictions analyze the public interest standard.").

32 ALJ Report at 67, P 15.

33 ALJ Report at 27, P 128; ALJ Report at 18-19, P 88; ALJ Report at 71.

respectfully requests that the Commission, which can and should protect customers who bear the risks of the Proposed Acquisition, apply the "net benefit" standard as stated by the ALJ.[34]

3. To Upend the ALJ Report Would Be Procedurally Improper and Erode the Foundation of Established Process for Contested Cases

Minnesota's contested case process vests in an ALJ trust to scrupulously assure its proposed findings and conclusions are detailed, well-founded, and specific enough to allow for meaningful review.[35] Simply because an ALJ finds against one party or another does not mean the ALJ did not make thorough or fair findings, that the entire report should be overturned, or the ALJ themself condemned as not providing an "accurate" or "comprehensive" look at the Acquisition.[36] To upend an ALJ Report and condemn it in the manner and tenor done by the Petitioners undermines Minnesota's well-established and fair judicial system.

III. CONCLUSION

For the reasons LPI describes above, the Commission should adopt the detailed and extensive findings and conclusions in the ALJ Report, including requiring Minnesota Power to "provide the full accounting of costs that were incurred in negotiating the proposed acquisition and seeking its regulatory approvals, including the employee time spent in pursuing the acquisition."[37]

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[34] ALJ Report at 71.

[35] *See City View Apartments v. Sanchez*, No. C2-00-313, 2000 WL 1064897 at *2 (Minn. Ct. App. Aug. 1, 2000); Minn. R. 7000.1750.

[36] Petitioners' Exceptions at 9.

[37] ALJ Report at 68, P 2.

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