



AN ALLETE COMPANY

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October 6, 2016

VIA E-FILING

Mr. Daniel P. Wolf, Executive Secretary
MN Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101-2147

Re: Minnesota Power's Petition for Approval of an
Amended and Restated Electric Service Agreement Between
United Taconite LLC, Northshore Mining Company and Minnesota Power
Docket No. E015/M-16-534

Dear Mr. Wolf:

Enclosed for filing with the Commission please find Minnesota Power's Reply Comments in the above-referenced Docket.

If you have any questions regarding this letter, please do not hesitate to contact me at the number above.

Yours truly,

A handwritten signature in black ink that reads "David R. Moeller". The signature is written in a cursive, flowing style.

David R. Moeller

DRM:sr
Attach.

**STATE OF MINNESOTA
BEFORE THE
MINNESOTA PUBLIC UTILITIES COMMISSION**

Docket No. E015/M-16-534

In the Matter of a Petition for Approval of
an Amended and Restated Electric Service
Agreement Between United Taconite LLC,
Northshore Mining Company, and
Minnesota Power

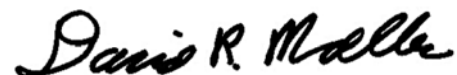
**REPLY COMMENTS
MINNESOTA POWER**

Minnesota Power has reviewed the Initial Comments filed by the Department of Commerce (“Department”) on September 27, 2016 and Fresh Energy on September 21, 2016 regarding a Petition for Approval of the Electric Service Agreement (“Agreement”) with United Taconite LLC, Northshore Mining Company (“Utac”). Minnesota Power agrees with the Department Comments that recommends that the Minnesota Public Utilities Commission (“Commission”) approve the Petition and appreciates the Department’s and Fresh Energy’s timely reviews of the Petition. The Department’s recommendation regarding addressing service to Utac in Minnesota Power’s next Integrated Resource Plan filing and capacity resources is standard information that Minnesota Power has included and will continue to include.

One clarification from the Department’s comments is that the Agreement only extends until December 31, 2026 and not December 2030. Under the Agreement, notice to cancel could be served by Utac in 2022 but would not be effective until December 31, 2026. The Agreement continues after December 31, 2026 on a rolling four-year basis until a cancellation notice is issued by either party.

Dated: October 6, 2016

Respectfully submitted,



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