

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

121 Seventh Place East, Suite 350  
St. Paul, MN 55101-2147

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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

**INITIAL COMMENT**

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The Large Power Intervenors (“LPI”) respectfully submit this initial comment in response to Notice of Comment Period on the Proposed Settlement (“Notice”) issued by the Minnesota Public Utilities Commission (“Commission” or “MPUC”) on July 18, 2025, in the above referenced docket.<sup>1</sup> The Notice poses five questions for comment:

1. Is the proposed Settlement between the Department of Commerce and ALLETE consistent with the public interest within the meaning of Minn. Stat. § 216B.50?
2. Has the proposed Settlement addressed the questions addressed to the Administrative Law Judge in the Commission’s Order of October 7, 2024?
3. Does the Acquisition proposal as modified by the Settlement agreement provide appropriate protections to low-income customers and customers from marginalized communities?

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<sup>1</sup> Notice of Comment Period on the Proposed Settlement at 1 (Jul. 18, 2025) (eDocket No. 20257-221154-01).

4. Are there conditions that should be imposed on this transaction in addition to those that were included in the Settlement, and if so, what are those conditions? Please describe the additional condition and support its inclusion.
5. Are there other issues or concerns related to this matter?

Per its responses to these questions, and for the reasons described herein, LPI respectfully urges the Commission to deny the proposed settlement in its entirety.

## **I. INTRODUCTION**

On Friday afternoon, July 11, 2025, two business days prior to the anticipated issuance of the Administrative Law Judge's ("ALJ") Findings of Fact, Conclusions of Law, and Recommendations ("ALJ Findings") in this proceeding, the Department of Commerce ("Department"), Minnesota Power, Canada Pension Plan Investments, and Global Infrastructure Partners (together, "the Partners"), jointly filed (as the "Settling Parties") a proposed settlement stipulation ("Settlement"), in the above-captioned docket. The Settlement purports to offer "a series of additional commitments responsive to issues and concerns raised by the Department that ensure that the Acquisition is consistent with the public interest."<sup>2</sup> LPI is troubled by this characterization, and the corresponding social media efforts by the Partners to advance the

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<sup>2</sup> Settlement Stipulation Between the Minnesota Department of Commerce, ALLETE, Inc. d/b/a Minnesota Power, Canada Pension Plan Investment Board, and Global Infrastructure Partners at 2 (Jul. 11, 2025) (eDocket No. 20257-220879-01) ("Settlement Stipulation").

Settlement, which are simply more statements that are entirely inconsistent with the record, that the Commission should disregard.<sup>3</sup>

To be sure, the record developed over the course of a year demonstrates that the proposed Settlement includes little, if any, incremental benefit to the list of commitments the Partners agreed to over the course of the proceeding and included in the Partners' proposed findings submitted to the ALJ. These commitments were not persuasive to six of the Parties then, and five of the Intervenors now. Nor were they persuasive to the ALJ, which the ALJ addressed in detail in the ALJ Findings. The Settlement is, in fact, substantively and legally flawed by largely restating Commitments rejected in the 283 Findings of Fact that the ALJ made after a year of record development and evidentiary proceedings that concluded the proposed Acquisition is not in the public interest. Furthermore, the Settlement is procedurally flawed, especially considering that the Settling Parties refused to respond to LPI's requests for information regarding its benefits. Even if the Commission sees some benefit to the Settlement the likes of which LPI does not, no record exists upon which the Settlement could be approved. The Commission should therefore deny it and the proposed Acquisition, and require Minnesota Power to provide an accounting of the cost incurred pursuing the transaction.

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<sup>3</sup> See, e.g., ALJ Findings (Public) at 38, P 180, n.339 ("At various times throughout this proceeding, Minnesota Power has insisted that the Petitioner's "intent" or "understanding" is different than what is reflect in the written documents. This is one such example. Minnesota Power's apparent reliance on unenforceable "understandings" which conflict with the written record is, at best, naïve. **Sophisticated parties, like the Partners, engaging in complex transactions, like the Acquisition, rely on written agreements. The Commission should do the same.**") (emphasis added)

## II. ANALYSIS

### A. The Settlement as Proposed is Not Consistent with the Public Interest.

Minnesota Statute § 216B.50 requires Commission authorization for any public utility to “sell, acquire, lease, or rent any plant as an operating unit or system in this state for a total consideration in excess of \$1,000,000, or merge or consolidate with another public utility or transmission company operating in this state.” As noted by the ALJ, the longstanding requirement to obtain this approval is for the petitioners to establish, by a preponderance of the evidence, that the proposed transaction “is consistent with the Minn. Stat. § 216B.50 public interest standard.”<sup>4</sup> Further, if the Commission finds the proposed action consistent with the public interest, § 216B.50 requires “it shall give its consent and approval ....” In applying that standard, the Commission has sought evidence of tangible benefits to ratepayers.<sup>5</sup> While the Partners advocate for a lower standard, the ALJ correctly concludes, in recommending rejection of the Proposed Acquisition:

The parties have argued that the public interest requires the Commission find that the deal either produces net benefits or, alternatively, avoids net harm. The proposed deal is inconsistent with the public interest under either standard because it results in net harm to the public interest.<sup>6</sup>

Therefore, LPI reviews the marginal additional commitments offered in the Settlement through the same lens – that is, regardless of the interpretation of how to satisfy the public interest

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<sup>4</sup> ALJ’s Findings and Recommendations (Public), at 60, P 11. (citing Minn. Stat. § 216B.50; Minn. R. 1400.7399 subp. 5).

<sup>5</sup> E.g., *In the Matter of Otter Tail Power Company’s Petition for Approval of a Transfer of Property*, MPUC Docket No. E-017/PA-21-793, Order Approving Petition and Requiring Compliance Filing at 3-4 (Oct. 24, 2022); *In the Matter of Proposed Merger of Minnegasco, Inc. with and into Arkla, Inc.*, MPUC Docket No. G-008/PA-90-604, Order Approving Merger and Adopting Amended Stipulation with Modifications at 4 (Nov. 27, 1990); *In the Matter of the Application of Northern States Power Company for Approval to Merge with New Century Energies, Inc.*, MPUC Docket No. E, G-002/PA-99-1031, Order Approving Merger, As Conditioned at 11-12 (Jun. 12, 2000).

<sup>6</sup> ALJ’s Findings and Recommendations (Public) at 61, P 15 (citing Minn. Stat. § 216B.50 subd. 1).

standard under Minnesota law, whether the Settlement meets even the low bar of eliminating harm to the public interest. For reasons further explained below, the Settlement does not offset the harms of the Proposed Acquisition or offer anything not already required by Minnesota law. Additionally, the Settlement fails to explicitly address the questions addressed to the Administrative Law Judge in the Commission’s Order of October 7, 2024, in this docket.

**B. The Conditions Proposed in the Settlement are Repetitive of Those Rejected in the ALJ Findings, Inadequate to Offset Harms Associated with the Proposed Acquisition, and Fail to Offer Material Benefits to Ratepayers.**

The Settlement offers only incremental changes from the Partners’ initial offer and overall little value to ratepayers. The Department claims the Settlement includes “more than 70 discrete terms” and is “broadly responsive to concerns identified by the Department during the contested-case proceeding.”<sup>7</sup> Footnote 3 of the Settlement includes a list of terms that “were negotiated by the Settling Parties for purposes of this comprehensive Settlement Stipulation.”<sup>8</sup> The footnote concedes that the remaining terms constitute those already offered in the course of testimony. In other words, despite claiming “more than 70 discrete terms” benefiting ratepayers were included in the Settlement, more than 30 of those terms were agreed to by the Partners and offered for the ALJ’s consideration. Additionally, the Settlement does not account for the fact that the terms not described in footnote 3 (i.e., the more than 30 terms agreed to by the Partners), have all be systematically critiqued or rejected in the ALJ Findings as insufficient, already required by law,

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<sup>7</sup> Letter at 1 (Jul. 11, 2025) (eDocket No. 20257-220879-02).

<sup>8</sup> Settlement Stipulation at 2, n.3.

or offering no benefits to ratepayers.<sup>9</sup> Overall, the terms in footnote 3 fail to provide sufficient benefits to outweigh the ALJ-identified harms of the Proposed Acquisition.

Pursuant to the Settlement Stipulation, the only incremental differences from previous offerings are settlement terms: 1.4-1.6, 1.9, 1.12-1.14, 1.17-1.30, 1.32-1.36, 1.38, 1.40-1.46, 1.56, 1.63-1.64, and 1.73-1.74.<sup>10</sup> As noted in the table below, each “new” or “modified” term remains either insufficient, already required by law, or provides no benefit to ratepayers.

| <b>Settlement Term</b> | <b>Reason Term is Insufficient, Already Required by Law, or Provides No Benefit to Ratepayers</b>   |
|------------------------|---|
| 1.4                    | Alloy Parent has already committed to provide this type of equity financing as part of the Proposed Acquisition. Adding that dividends will not be paid out until such equity financing materializes does not change the fundamental commitment and offers nothing new to ratepayers. <sup>11</sup>                                     |
| 1.5                    | The Settlement term is not materially different from what the Company already committed to, stating “[t]he Company will provide compliance filings on equity infusions from and dividends to Alloy Parent in the same manner in which the Company currently provides compliance filings in its capital structure docket.” <sup>12</sup> |
| 1.6                    | This Settlement commitment matches identically what was offered in the Joint Proposed Findings, which stated “The Company commits to not make any dividend or distributions unless at least one senior unsecured credit rating is investment grade or above.” <sup>13</sup>   |

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<sup>9</sup> See LPI Exceptions to the ALJ’s Findings of Fact, Conclusions of Law, and Recommendations (Aug. 4, 2025).

<sup>10</sup> Settlement Stipulation at 2, n.3.

<sup>11</sup> Joint Proposed Findings of Fact, Conclusions of Law, and Recommendation to Approve the Acquisition at Attachment A, pg. 1 of 11 (Commitment 1) (May 29, 2025) (eDocket No. 2255-219382-02) (“Joint Proposed Findings”).

<sup>12</sup> Joint Proposed Findings at 81 (May 29, 2025) (citing Ex. MP-35 at 13-14 (Anderson Rebuttal)).

<sup>13</sup> Joint Proposed Findings at Attachment A, pg. 1 of 11 (Commitment 4).

| <b>Settlement Term</b> | <b>Reason Term is Insufficient, Already Required by Law, or Provides No Benefit to Ratepayers</b>  |
|------------------------|--|
| 1.9                    | This Settlement commitment matches identically to what was already offered in the Proposed Joint Findings, that “ALLETE will not make any dividend or distribution that would cause the actual equity ratio of Minnesota Power to be outside the range approved by the Commission.” <sup>14</sup>  |
| 1.12                   | Minnesota Power has already committed that “Minnesota Power and the Partners have committed that if, as a result of the Acquisition, Minnesota Power’s cost of debt increases above current levels within three years following the close of the Acquisition, customers will be held harmless from any rate impact.” <sup>15</sup> Adding two years to the commitment (i.e., bring it to five years following the close of the Acquisition), hardly constitutes a material or new benefit.   |
| 1.13                   | This Settlement commitment matches identically to Commitment 37 in the Proposed Joint Findings. <sup>16</sup>  |
| 1.14                   | The commitment to lower Minnesota Power’s return on equity (“ROE”) to 9.65 percent until it is next eligible for a rate case, effective the first full month after the close of the Acquisition and issuance a final Commission order, provides very little relief to ratepayers. Considering a final Commission order is not expected until the first quarter of 2026, and Minnesota Power will become eligible for a rate case in November 2026 (per term 1.43), this commitment offers at most 10 months of benefits to ratepayers. |
| 1.17                   | Minnesota Power and the Partners have already agreed to prohibitions on loans or pledges of assets of ALLETE without regulatory approval. <sup>17</sup>  |

<sup>14</sup> Joint Proposed Findings at Attachment A, pg. 1 of 11 (Commitment 3).

<sup>15</sup> Joint Proposed Findings at 43 (citing Ex. MP-29 at 22 (Taran Rebuttal), Ex. MP-33 at 34-35 (Bram Rebuttal)).

<sup>16</sup> Proposed Joint Findings at Attachment A, pg. 6 of 11 (Commitment 37).

<sup>17</sup> Proposed Joint Findings at 45.

| <b>Settlement Term</b> | <b>Reason Term is Insufficient, Already Required by Law, or Provides No Benefit to Ratepayers</b>  |
|------------------------|--|
| 1.18                   | The Petitioners have already committed to, verbatim, “maintain separate books and records, agree to prohibitions against loans or pledges of assets of ALLETE without regulatory approval, and generally hold ALLETE harmless from any business and financial risk exposures associated with Alloy Parent or its subsidiaries or affiliates (other than any subsidiary of ALLETE).” <sup>18</sup>                        |
| 1.19                   | The Petitioners have already made this commitment verbatim: “Neither ALLETE nor Alloy Parent shall provide direct credit support to a credit facility of the other through a guarantee, and none of ALLETE’s credit facilities shall include any cross-default provision whereby a default under any of Alloy Parent’s credit facilities would cause a default under any of ALLETE’s credit facilities[.]” <sup>19</sup> |
| 1.20                   | While this term represents a new commitment, it is industry-standard to provide a non-consolidation opinion in the merger or acquisition of a public utility. <sup>20</sup>  |
| 1.21                   | Minnesota Power and the Partners have already committed that “Minnesota Power will be prohibited from loaning funds to or borrowing funds from its Alloy parent or other upstream entities.” <sup>21</sup>   |
| 1.22                   | Minnesota Power and the Partners have already committed that “Alloy Parent will not use utility assets to guarantee Alloy Parent debt.” The alteration of the commitment such that Minnesota Power is prohibited from guaranteeing any obligations of its nonutility affiliates represents an incremental benefit to ratepayers at best.   |

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<sup>18</sup> Proposed Joint Findings at 45.

<sup>19</sup> Proposed Joint Findings at 45.

<sup>20</sup> E.g., *In the Matter of the Joint Application of Puget Holdings LLC and Puget Sound Energy, INC., For an Order Authorizing Proposed Transaction*, Docket U072375, Order 08 Approving and Adopting Settlement Stipulation; Authorizing Transaction Subject to Conditions at 154 (December 30, 2008).

<sup>21</sup> Proposed Joint Findings at Attachment A, pg. 2 of 11 (Commitment 10).



| <b>Settlement Term</b> | <b>Reason Term is Insufficient, Already Required by Law, or Provides No Benefit to Ratepayers</b>  |
|------------------------|--|
| 1.23                   | The governance commitment presented in the Settlement materially conforms to what is presented in the Proposed Joint Findings, save the addition of a single board member. Furthermore, the addition of a single board member does not change the fact that the Partners as a whole will select a majority of the board seats (10 of 14). <sup>22</sup> Nor does the commitment in 1.23 (a) eliminate the ability of this Partner-selected board from influencing, modifying, or rejecting any of the budgets, proposals, strategic plans, or regulatory filings “developed” by Minnesota Power. |
| 1.24                   | While the commitment that “[t]he Audit Committee of the Board will consist of Board directors not employed by any of ALLETE, GIP, or CPP Investments” represents a new commitment and provides some benefits to ratepayers in terms of transparency and control, it is not substantial enough to uproot a finding that the Proposed Acquisition is not in the public interest.   |
| 1.25                   | This commitment is already required by Minnesota Law, as the term itself states. A benefit to ratepayers cannot exist where an action would be required of Minnesota Power and the Partners with or without the commitment.  |
| 1.26                   | This commitment does not offer a benefit to ratepayers. It simply states which document will serve as definitive governance documentation.   |
| 1.27                   | Minnesota Power and the Partners’ commitment to separate non-regulated utility entities from the current ALLETE d/b/a Minnesota Power entity upon the Acquisition’s closing may offer some benefits to ratepayers, but would also be subject to recoverability, this leaving ratepayers with rate increases that they would not have to endure but-for the Proposed Acquisition. <sup>23</sup>   |
| 1.28                   | This commitment does not assuage concerns about control of Minnesota Power given a majority of the board will be comprised of directors selected by the Partners.  |

<sup>22</sup> See Proposed Joint Findings at Attachment A, pg. 2 of 11 (Commitment Commitments 11-14).

<sup>23</sup> Settlement at 6 (“the costs associated with the petition or separation efforts will not be considered transaction or transition costs of the Acquisition but recoverability will be determined in the course of the separation proceeding.”).

| Settlement Term | Reason Term is Insufficient, Already Required by Law, or Provides No Benefit to Ratepayers  |
|-----------------|---|
| 1.29            | Minnesota Power has already committed to these exact requirements, except now it will identify contracts over \$500,000 (rather than \$1 million) with an entity identified pursuant to the immediately preceding commitment and notify the Commission within 30 days of contract execution. The lowering of the amount by \$500,000 provides no material benefit to ratepayers, as is certainly not significant enough to offset the Proposed Acquisition's potential harms. |
| 1.30            | While the commitment to subject Minnesota Power's annual affiliate interest report to an annual Agreed Upon Procedures audit by independent third-party auditors is new, it represents a simple modification to an underlying commitment, and does not provide enough of a ratepayer benefit to offset potential harms.   |
| 1.32            | ALLETE is already required to keep its books in accordance with the Commission's Uniform System of Accounts. <sup>24</sup> This commitment proposes nothing beyond what is already required by FERC.  |
| 1.33            | This Commitment has already been offered verbatim in the Proposed Joint Findings. <sup>25</sup>   |
| 1.34            | While this commitment goes a step beyond one already offered, that "Minnesota Power will continue to provide ALLETE credit rating reports to the Commission within 30 days of receipt of the reports from the rating agencies[.]" it does not substantially help outweigh the Proposed Acquisition's potential harms.   |
| 1.35            | Because ALLETE and Alloy Parent entities are already subject to audit, and thus must already maintain their books and records in a form that can distinguish costs allocable to Minnesota Power, this commitment does not constitute an explicit new benefit for ratepayers.  |

<sup>24</sup> *ALLETE, Inc., On Behalf of Itself and Its Public Utility Subsidiaries*, Docket No. EC24-105, Application for Authorization under Section 203 of the FPA of ALLETE, Inc. at Attachment 2 (Jul. 19, 2024).

<sup>25</sup> Proposed Joint Findings at Attachment A, pg. 6 of 11 ("Partners commit to providing the Department and Commission with access to all books and records of the entities up to and including Alloy Parent that are related to Minnesota Power's operations under the jurisdiction of the Commission." (Commitment 42).

| <b>Settlement Term</b> | <b>Reason Term is Insufficient, Already Required by Law, or Provides No Benefit to Ratepayers</b>  |
|------------------------|--|
| 1.36                   | This commitment is at best an incremental addition to the commitment already made by Minnesota Power and the Partners to provide “[a]ccess to the books and records of the entities up to and including Alloy Parent that are related to Minnesota Power’s operations under the jurisdiction of the Commission will be provided to the Commission after the Acquisition.” <sup>26</sup>  |
| 1.38                   | This commitment is at best an incremental addition to the commitment already made by Minnesota Power and the Partners that “[t]he Company’s annual capital structure petition will include full audited consolidated financial statements for ALLETE, prepared in accordance with Generally Accepted Auditing Principles (“GAAP”). These will include all of the footnotes, as well as specific supplemental schedules that are currently included in ALLETE’s Forms 10-K and 10-Q.” <sup>27</sup> |
| 1.40                   | This term has repeatedly been offered as a commitment throughout this proceeding (i.e., not to recover Acquisition, transaction, transition costs, or an acquisition premium, from customers). <sup>28</sup>   |
| 1.41                   | This commitment identically matches one offered prior to the Settlement. <sup>29</sup>   |
| 1.42                   | This commitment does not represent a real benefit to customers. But-for the Proposed Acquisition, ratepayers would not be subject to or responsible for costs associated with the formation of a Holding Company, and thus ratepayers should not be forced to bear those costs.  |
| 1.43                   | The commitment for Minnesota Power to waive its right to file a rate case before November 1, 2026 does not offer substantive relief to ratepayers. By the time these commitments will become effective (i.e., upon Commission Order authorizing the proposed Acquisition), it would be early 2026, and this commitment would provide at most 10 months of relief.  |

<sup>26</sup> Proposed Joint Findings at 81 (citing Ex. MP-35 at 14 (Anderson Rebuttal)).

<sup>27</sup> Proposed Joint Findings at 81 (citing Ex. MP-35 at 13-14 (Anderson Rebuttal)).

<sup>28</sup> E.g., Proposed Joint Findings at Attachment A, pg. 3 of 11 (Commitments 17, 18).

<sup>29</sup> Proposed Joint Findings at Attachment A, pg. 4 of 11 (Commitment 27).

| <b>Settlement Term</b> | <b>Reason Term is Insufficient, Already Required by Law, or Provides No Benefit to Ratepayers</b>   |
|------------------------|---|
| 1.44                   | While this commitment may provide slight transparency, it is not something ratepayers could not already request in the course of a typical rate case. As such, the commitment does not provide much benefit to ratepayers.  |
| 1.45                   | Minnesota Power is already crediting “the difference between the book value and the sale price to Minnesota Power customers.” <sup>30</sup> Committing to provide a plan for continuing to do so within 60 days of the Acquisition’s approval makes no guarantees as to when ratepayers would actually see those credits. Without more certainty, this commitment does not materially benefit ratepayers. |
| 1.46                   | Issues with this commitment mirror those with 1.45. The commitment makes no guarantee as to when ratepayers would actually see these credits.   |
| 1.56                   | This commitment is required by law. Minnesota Power does not confer on ratepayers an explicit benefit when it complies with Minnesota law.  |
| 1.63                   | If the Partners can commit \$50 million in funds to a “Clean Firm Technology Fund,” they should also provide a standalone rate credit to ratepayers.  |
| 1.64                   | The utility is already required to comply with the listed service quality reporting requirements. The offering of an underperformance payment does not quell the concerns of ratepayers regarding the effects the Proposed Acquisition may have on service quality. Once again, Minnesota Power offers as a commitment something it is required by the Commission to do anyway.                           |
| 1.73                   | This commitment is simply a fact. It does not constitute a benefit to ratepayers.   |
| 1.74                   | Like term 1.73, this commitment simply describes the jurisdiction of the Commission and subsequent appeal process, and does not constitute a benefit to ratepayers.   |

<sup>30</sup> *In the Matter of the Petition for Approval of Minnesota Power Land Sales*, Docket No. E015/PA-20-675, Petition for Approval at 9 (Aug. 31, 2020).

Among all the new terms offered, only three provide any material relief to ratepayers, relief which is nominal at best: the creation of the Clean Firm Technology Fund, which will provide \$50 million in funds toward Minnesota Power's integrated resource plan dockets;<sup>31</sup> a reduction in Minnesota Power's authorized ROE from 9.78% to 9.65%; and a commitment not to file a rate case before November 1, 2026.<sup>32</sup> These three commitments are entirely insufficient to overcome the net harm resulting from the Proposed Acquisition.

With respect to the Clean Firm Technology Fund, LPI emphasizes that the \$50 million pledge is neither immediate nor indicative of a ratepayer benefit. To be sure, the pledge is over a period of at least four years because the amounts are paid in instalments.<sup>33</sup> Furthermore, the commitment to not seek cost recovery may not be a commitment at all and instead could simply be a commitment by the Partners to seek cost recovery from federal or state sources.<sup>34</sup> Had Minnesota Power and the Partners been interested in putting their own money towards benefiting ratepayers, they could have done so via a rate credit proposal, which is a common commitment for proceedings such as the Proposed Acquisition.<sup>35</sup> And the latter commitments do not amount to a

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<sup>31</sup> Settlement Stipulation at 11 (see term 1.63).

<sup>32</sup> Settlement Stipulation at 9 (see term 1.43).

<sup>33</sup> Settlement Stipulation at 11-12 (see term 1.43).

<sup>34</sup> As the Commission is well-aware, the U.S. Department of Energy is working to disperse federal funding for clean energy infrastructure, which the Minnesota Department of Commerce is working to implement. See <https://www.energy.gov/infrastructure/clean-energy-infrastructure-funding-projects-and-programs>; <https://mn.gov/commerce/energy/industry-government/federal-funding-opportunities/>.

<sup>35</sup> See, *In the Matter of the Joint Application of Puget Holdings LLC and Puget Sound Energy, INC., For an Order Authorizing Proposed Transaction*, Docket U-072375, Order 08 Approving and Adopting Settlement Stipulation; Authorizing Transaction Subject to Conditions at P 93 (December 30, 2008) (committing to rate credit totaling \$100 million).

rate credit. These commitments will not become effective until a final order has been issued by the Commission, effectively capping the impacts of any perceived benefits to around 10 months.<sup>36</sup>

Taken together, the new commitments provided in the Settlement are insufficient to outweigh the tremendous potential harms that accompany the Proposed Acquisition. Additionally, the ALJ Findings noted the settlement did not assuage the ALJ's concerns about the Proposed Acquisition and did not change her ultimate recommendation: that the MPUC "disapprove the Acquisition."<sup>37</sup> The Settlement Stipulation provides only slight deviations to the commitments proposed throughout the proceeding, which time and time again have proven unsatisfactory to offset the potential harms of the Proposed Acquisition. Therefore, LPI cannot support the Settlement.

**C. Other Issues or Concerns – Settling Parties' Refusal to Engage with LPI Discovery Only Exacerbates Its Transparency Concerns.**

Upon receipt of the Settlement, LPI had reasonable and material questions related to the Settlement's terms, the Department's analysis to substantiate ALLETE's claimed need for a "\$5 billion capital plan," modeling around the estimated benefit to ratepayers from the Clean Firm Technology Fund, and other questions.<sup>38</sup> Citing a discovery deadline contained in one of the ALJ's prehearing orders, the Settling Parties refused to engage and were not willing to respond to basic discovery to ease concerns around how the procedural posture of the Settlement, or what it offered

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<sup>36</sup> Settlement Stipulation at 4 (see terms 1.14, 1.43) (estimating that a Commission final order will not be produced until early 2026).

<sup>37</sup> ALJ's Findings and Recommendations at 73.

<sup>38</sup> Appendix A contains the information requests issued by LPI.

distinct from existing commitments that had been previously unacceptable to the Department.<sup>39</sup> The Department's and Partner's position is extremely disappointing. The discovery deadline was set at the beginning of the contested case process, as a common practice to limit discovery and distraction during the evidentiary hearings. None of the parties anticipated the production of new information, let alone a proposed settlement on the eve of ALJ Findings, well after the conclusion of the evidentiary hearings. Parties should not be precluded from asking questions related to a new, substantive document introduced after evidentiary hearings have concluded. The Partners bear the burden of proof in this proceeding. By not responding, the Partners are underscoring their inability to meet this burden. Furthermore, the Partners' refusal to engage with LPI regarding its questions only perpetuates the litigious and untransparent practices the Partners exhibited during the proceeding and exacerbates LPI's concerns around transparency and the willingness of the Partners to work with Minnesota Power customers moving forward.

### **III. CONCLUSION**

For the reasons provided herein above, the Settlement is procedurally and legally flawed and fails to rescue the Proposed Acquisition from being entirely inconsistent with the public interest. Absent the Partners coming forward with material ratepayer protections, LPI cannot support the Settlement. As drafted, the Settlement does not comport with the public interest and should be denied.

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<sup>39</sup> Included as Appendix B is the Department's letter declining to respond to LPI's information requests. Included as Appendix C is Minnesota Power's letter declining to respond to LPI's information requests.

Dated: August 4, 2025

Respectfully submitted,

STOEL RIVES LLP

/s/ Andrew P. Moratzka

Andrew P. Moratzka

Amber S. Lee

Eden A. Fauré

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ATTORNEYS FOR THE LARGE POWER  
INTERVENORS

12977736.2 0064591-00033



## **APPENDIX A**

PUBLIC DOCUMENT – HIGHLY CONFIDENTIAL TRADE SECRET INFORMATION EXCISED

## **LARGE POWER INTERVENORS**

### **Information Request**

Docket Numbers: E-015/PA-24-198, E-015/M-24-383  
OAH Docket No. 25-2500-40339

Date of Request: July 14, 2025

Requested From: Department of Commerce

Response Requested: July 22, 2025

By: Andrew P. Moratzka, Amber S. Lee and Eden A. Fauré

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### **Information Request No. 500**

Reference July 11, 2025 letter, stating that “[s]panning more than 70 discrete terms, the settlement stipulation is broadly responsive to concerns identified by the Department during the contested-case proceeding.”

- a. Identify which of the 70 discrete items are new and which are already accounted for in Attachment A of the proposed Findings of Fact dated May 29, 2025, and submitted by Minnesota Power, Canada Pension Plan Investments Board, Global Infrastructure Partners, Energy CENTS Coalition, International Union of Operating Engineers Local 49, North Central States Regional Council of Carpenters, Laborers International Union of North America—Minnesota and North Dakota, and International Brotherhood of Electrical Workers Local 31.

### **RESPONSE:**

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Response by: \_\_\_\_\_

List Sources of Information:

Title: \_\_\_\_\_

\_\_\_\_\_

Department: \_\_\_\_\_

\_\_\_\_\_

Telephone: \_\_\_\_\_

\_\_\_\_\_

PUBLIC DOCUMENT – HIGHLY CONFIDENTIAL TRADE SECRET INFORMATION EXCISED

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Docket Numbers: E-015/PA-24-198, E-015/M-24-383  
OAH Docket No. 25-2500-40339

Date of Request: July 14, 2025

Requested From: Department of Commerce

Response Requested: July 22, 2025

By: Andrew P. Moratzka, Amber S. Lee and Eden A. Fauré

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### **Information Request No. 501**

Reference July 11, 2025, letter, “Access to Capital” bullet point:

- a. Please provide all analysis the Department has performed to substantiate ALLETE’s claimed need for a “\$5 billion capital plan.”
- b. Please provide all the analysis the Department has performed to substantiate that such a capital plan will be affordable.

### **RESPONSE:**

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Response by: \_\_\_\_\_

List Sources of Information:

Title: \_\_\_\_\_

\_\_\_\_\_

Department: \_\_\_\_\_

\_\_\_\_\_

Telephone: \_\_\_\_\_

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PUBLIC DOCUMENT – HIGHLY CONFIDENTIAL TRADE SECRET INFORMATION EXCISED

## **LARGE POWER INTERVENORS**

### **Information Request**

Docket Numbers: E-015/PA-24-198, E-015/M-24-383  
OAH Docket No. 25-2500-40339

Date of Request: July 14, 2025

Requested From: Department of Commerce

Response Requested: July 22, 2025

By: Andrew P. Moratzka, Amber S. Lee and Eden A. Fauré

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### **Information Request No. 502**

Reference July 11, 2025, letter, “Clean Firm Technology Investment” bullet point:

- a. Please provide all the analysis the Department has performed to estimate the ratepayer benefit of the establishment and funding of a Clean Firm Technology Fund.
- b. Please explain why the Department believes it is better for ratepayers to establish a Clean Firm Technology Investment Fund with \$50 million in contributions as opposed to a \$50 million rate credit.

### **RESPONSE:**

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Response by: \_\_\_\_\_

List Sources of Information:

Title: \_\_\_\_\_

\_\_\_\_\_

Department: \_\_\_\_\_

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Telephone: \_\_\_\_\_

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OAH Docket No. 25-2500-40339

Date of Request: July 14, 2025

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Response Requested: July 22, 2025

By: Andrew P. Moratzka, Amber S. Lee and Eden A. Fauré

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### **Information Request No. 503**

Reference July 11, 2025, letter, “Ratepayer Savings” bullet point:

- a. Please provide all workpapers and analysis, in native format, supporting the Department’s estimation that ratepayers will save \$5.5 million over the next two years by reducing Minnesota Power’s authorized ROE from 9.78% to 9.65%.
- b. Please provide all workpapers and analysis, in native format, supporting the Department’s estimation that a one-year rate case stay-out will save ratepayers approximately \$25 million.

### **RESPONSE:**

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Response by: \_\_\_\_\_

List Sources of Information:

Title: \_\_\_\_\_

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Department: \_\_\_\_\_

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Date of Request: July 14, 2025

Requested From: Department of Commerce

Response Requested: July 22, 2025

By: Andrew P. Moratzka, Amber S. Lee and Eden A. Fauré

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### **Information Request No. 504**

Reference July 11, 2025, letter, “Stronger Governance Provisions” bullet point:

- a. Please provide all agreements, draft and final, reflecting the commitments referenced in this bullet point.
- b. Section 1.23(b)(vi) of the Settlement Stipulation indicates that “[t]en directors will be appointed by the Partners with each Partner having the right to appoint one director to the Board for every 10 percent ownership of ALLETE, Inc., held indirectly through Alloy Parent.” Please reconcile the provision with the statement “Under the settlement, ALLETE’s board will consist of seven partner directors.”

### **RESPONSE:**

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Response by: \_\_\_\_\_

List Sources of Information:

Title: \_\_\_\_\_

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Department: \_\_\_\_\_

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OAH Docket No. 25-2500-40339

Date of Request: July 14, 2025

Requested From: Minnesota Power, Canada  
Pension Plan Investments Board, and  
Global Infrastructure Partners

Response Requested: July 22, 2025

By: Andrew P. Moratzka, Amber S. Lee and Eden A. Fauré

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### **Information Request No. 505**

Reference the Settlement Stipulation:

- a. Please detail the differences between the Settlement Stipulation and Attachment A of the proposed Findings of Fact dated May 29, 2025, and submitted by Minnesota Power, Canada Pension Plan Investments Board, Global Infrastructure Partners, Energy CENTS Coalition, International Union of Operating Engineers Local 49, North Central States Regional Council of Carpenters, Laborers International Union of North America—Minnesota and North Dakota, and International Brotherhood of Electrical Workers Local 31 (hereafter, the “Commitments”). For example, how is Section 1.3 of the Settlement Stipulation different from Paragraph 1 of the Commitments.
- b. Please detail the similarities between the Settlement Stipulation and the Commitments.

### **RESPONSE:**

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Response by: \_\_\_\_\_

List Sources of Information:

Title: \_\_\_\_\_

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Requested From: Minnesota Power, Canada  
Pension Plan Investments Board, and  
Global Infrastructure Partners

Response Requested: July 22, 2025

By: Andrew P. Moratzka, Amber S. Lee and Eden A. Fauré

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### **Information Request No. 506**

Reference section 1.3 through 1.5 of the Settlement Stipulation:

- a. Please provide all orders from the Minnesota Public Utilities Commission (“Commission”) approving ALLETE’s \$5 billion five-year capital plan.

### **RESPONSE:**

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Response by: \_\_\_\_\_

List Sources of Information:

Title: \_\_\_\_\_

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Pension Plan Investments Board, and  
Global Infrastructure Partners

Response Requested: July 22, 2025

By: Andrew P. Moratzka, Amber S. Lee and Eden A. Fauré

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### **Information Request No. 507**

Reference section 1.14 of the Settlement Stipulation:

- a. What is the earliest estimated date that the conditions will be met for the change in ROE to take effect?

### **RESPONSE:**

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Response by: \_\_\_\_\_

List Sources of Information:

Title: \_\_\_\_\_

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Docket Numbers: E-015/PA-24-198, E-015/M-24-383  
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Date of Request: July 14, 2025

Requested From: Minnesota Power, Canada  
Pension Plan Investments Board, and  
Global Infrastructure Partners

Response Requested: July 22, 2025

By: Andrew P. Moratzka, Amber S. Lee and Eden A. Fauré

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### **Information Request No. 508**

Reference section 1.23 of the Settlement Stipulation:

- a. Have the Partners, Alloy Parent Entities, and/or Minnesota Power executed any agreements, contracts, or otherwise documented these commitments? If so, please produce.
- b. Please supplement the response to Department of Commerce Information Request Number 11 with any new contracts or agreements that were not produced as of the Second Supplemental Response dated March 26, 2025.
- c. Please produce the definition of “independent” from the New York Stock Exchange.
- d. Can the Minnesota resident directors be appointed by the Partners?
- e. Can the Wisconsin resident director be appointed by the Partners?

### **RESPONSE:**

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Response by: \_\_\_\_\_

List Sources of Information:

Title: \_\_\_\_\_

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OAH Docket No. 25-2500-40339

Date of Request: July 14, 2025

Requested From: Minnesota Power, Canada  
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Response Requested: July 22, 2025

By: Andrew P. Moratzka, Amber S. Lee and Eden A. Fauré

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### **Information Request No. 509**

Reference section 1.28 of the Settlement Stipulation:

- a. Do the Petitioners reserve the right to place ALLETE, Inc., including the Minnesota Power operating division, into voluntary bankruptcy during the pendency of the separation proceeding?

### **RESPONSE:**

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Response by: \_\_\_\_\_

List Sources of Information:

Title: \_\_\_\_\_

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Department: \_\_\_\_\_

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## **LARGE POWER INTERVENORS**

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OAH Docket No. 25-2500-40339

Date of Request: July 14, 2025

Requested From: Minnesota Power, Canada  
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Global Infrastructure Partners

Response Requested: July 22, 2025

By: Andrew P. Moratzka, Amber S. Lee and Eden A. Fauré

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### **Information Request No. 510**

Reference section 1.33 of the Settlement Stipulation:

- a. What portions of Minnesota Power's operations are not "under the jurisdiction of the Commission"?

### **RESPONSE:**

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Response by: \_\_\_\_\_

List Sources of Information:

Title: \_\_\_\_\_

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## **LARGE POWER INTERVENORS**

### **Information Request**

Docket Numbers: E-015/PA-24-198, E-015/M-24-383  
OAH Docket No. 25-2500-40339

Date of Request: July 14, 2025

Requested From: Minnesota Power, Canada  
Pension Plan Investments Board, and  
Global Infrastructure Partners

Response Requested: July 22, 2025

By: Andrew P. Moratzka, Amber S. Lee and Eden A. Fauré

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### **Information Request No. 511**

Reference section 1.41 of the Settlement Stipulation:

- a. For what element(s) of a rate case does Minnesota Power not have the burden of proof?

### **RESPONSE:**

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Response by: \_\_\_\_\_

List Sources of Information:

Title: \_\_\_\_\_

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## **LARGE POWER INTERVENORS**

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OAH Docket No. 25-2500-40339

Date of Request: July 14, 2025

Requested From: Minnesota Power, Canada  
Pension Plan Investments Board, and  
Global Infrastructure Partners

Response Requested: July 22, 2025

By: Andrew P. Moratzka, Amber S. Lee and Eden A. Fauré

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### **Information Request No. 512**

Reference section 1.46 of the Settlement Stipulation:

- a. Does Minnesota Power have plans to not execute on its proposals in Docket No. E015/PA-20-675?

### **RESPONSE:**

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Response by: \_\_\_\_\_

List Sources of Information:

Title: \_\_\_\_\_

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PUBLIC DOCUMENT – HIGHLY CONFIDENTIAL TRADE SECRET INFORMATION EXCISED

**LARGE POWER INTERVENORS**  
**Information Request**

Docket Numbers: E-015/PA-24-198, E-015/M-24-383  
OAH Docket No. 25-2500-40339

Date of Request: July 14, 2025

Requested From: Minnesota Power, Canada  
Pension Plan Investments Board, and  
Global Infrastructure Partners

Response Requested: July 22, 2025

By: Andrew P. Moratzka, Amber S. Lee and Eden A. Fauré

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**Information Request No. 513**

Reference section 1.47 of the Settlement Stipulation:

- a. Does Minnesota Power have plans to reduce the program budget for the CARE program?

**RESPONSE:**

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Response by: \_\_\_\_\_

List Sources of Information:

Title: \_\_\_\_\_

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Department: \_\_\_\_\_

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### **Information Request**

Docket Numbers: E-015/PA-24-198, E-015/M-24-383  
OAH Docket No. 25-2500-40339

Date of Request: July 14, 2025

Requested From: Minnesota Power, Canada  
Pension Plan Investments Board, and  
Global Infrastructure Partners

Response Requested: July 22, 2025

By: Andrew P. Moratzka, Amber S. Lee and Eden A. Fauré

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### **Information Request No. 514**

Reference sections 1.73 and 1.74 of the Settlement Stipulation:

- a. Please produce all agreements reflecting or relating to the terms of the Settlement Agreement.
- b. Please identify all agreements and contracts that will be required for the terms of the Settlement Stipulation to be implemented.
- c. Is it the position of the parties to the Settlement Stipulation that these agreements produced and identified in a. and b. are also subject to the Commission's jurisdiction? Please explain your answer.

### **RESPONSE:**

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Response by: \_\_\_\_\_

List Sources of Information:

Title: \_\_\_\_\_

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Department: \_\_\_\_\_

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OAH Docket No. 25-2500-40339

Date of Request: July 14, 2025

Requested From: Minnesota Power, Canada  
Pension Plan Investments Board, and  
Global Infrastructure Partners

Response Requested: July 22, 2025

By: Andrew P. Moratzka, Amber S. Lee and Eden A. Fauré

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### **Information Request No. 515**

Reference Section 1.12 of the Settlement Stipulation:

- a. Please confirm whether the ratepayer protection described in this provision applies solely to increases in the cost of debt and not to any increases in the cost of equity. If you contend that the provision provides protections related to equity costs, please explain in detail how such protections would apply.
- b. Do Minnesota Power and the Partners agree that, under Minnesota law, Minnesota Power retains the burden to demonstrate in any future rate case that its proposed return on equity is just and reasonable and not adversely affected by the Acquisition? If not, please explain your position and cite any legal or regulatory authority you rely on.
- c. Do Minnesota Power and the Partners believe the current settlement provides ratepayer protection from any and all cost of capital increases that could result from the Acquisition? If yes, explain how the settlement language ensures protection from increases in cost of equity or other capital components beyond debt. If no, please explain whether Minnesota Power would oppose a broader ratepayer protection provision that encompasses all elements of capital cost.

### **RESPONSE:**

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Response by: \_\_\_\_\_

List Sources of Information: \_\_\_\_\_

Title: \_\_\_\_\_

Department: \_\_\_\_\_

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## **LARGE POWER INTERVENORS**

### **Information Request**

Docket Numbers: E-015/PA-24-198, E-015/M-24-383  
OAH Docket No. 25-2500-40339

Date of Request: July 14, 2025

Requested From: Minnesota Power, Canada  
Pension Plan Investments Board, and  
Global Infrastructure Partners

Response Requested: July 22, 2025

By: Andrew P. Moratzka, Amber S. Lee and Eden A. Fauré

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### **Information Request No. 516**

Reference Section G. “Rates and Affordability” of the Settlement Stipulation:

- a. Minnesota Power, through testimony, acknowledged it has failed to achieve the stated policy goal of Minn. Stat. § 216C.05, subd. 2(4) requiring all rate classes be 5% below the national average rate, and that the industrial rate class has been in excess of that threshold since 2020. Do Minnesota Power or the Partners agree that the Settlement contains no enforceable commitment to move Minnesota Power’s industrial rates toward compliance with Minn. Stat. § 216C.05, subd. 2(4)? If not, please identify and provide all settlement provisions that support any claimed commitment or compliance plan related to this statutory policy goal.

### **RESPONSE:**

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Response by: \_\_\_\_\_

List Sources of Information:

Title: \_\_\_\_\_

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Department: \_\_\_\_\_

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Telephone: \_\_\_\_\_

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## **APPENDIX B**



The Office of  
**Minnesota Attorney General Keith Ellison**  
helping people afford their lives and live with dignity, safety, and respect • [www.ag.state.mn.us](http://www.ag.state.mn.us)

July 18, 2025

Andrew P. Moratzka  
Stoel Rives LLP  
33 S Sixth Street, Suite 4200  
Minneapolis, MN 55402

**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***  
**MPUC Docket Nos. E-015/PA-24-198**

Dear Mr. Moratzka:

On July 14, 2025, the Large Power Intervenors served the Department of Commerce with discovery requests 500 through 504 in connection with the above-referenced matter. These requests, however, are untimely. The deadline for serving discovery was March 26, 2025. (First Prehearing Order ¶ 12.) Moreover, the Minnesota chapter 1400 rules that would otherwise permit LPI to engage in timely discovery are no longer applicable given that jurisdiction over the matter has returned to the Public Utilities Commission. *See* Minn. R. 1400.8300; Minn. Admin. Proc. § 7.4.1 (3rd ed.). Finally, even if LPI's discovery was timely and permitted by the applicable rules, several questions attempt to obtain privileged work-product or otherwise inadmissible settlement communications.

Although the Department will not be responding to LPI's untimely discovery, the Department appreciates that there is great interest in the stipulation and questions about how the Settling Parties intend for various provisions to be construed. LPI, for example, asked the Department which stipulation provisions are new, and which were previously proposed by Petitioners. That information can be found in footnote three of the stipulation. In another instance, LPI asked the Department about the composition of the post-Acquisition board. To clarify, the board will have fourteen directors. The Partners will select ten directors based on their respective ownership interests. The Partners will select three directors by agreement. The final director will be ALLETE's CEO. Of the thirteen non-CEO directors, six of them will meet the NYSE's definition of independence and the Partners will appoint the remaining seven directors to represent their respective interests consistent with their fiduciary obligations to ALLETE under Minnesota law.

If LPI has other questions about the meaning of stipulation provisions, please contact me by telephone or e-mail. While discovery is not permissible at this point in the contested-case

Andrew P. Moratzka  
July 18, 2025  
Page 2

proceeding, the Department is available to help other interested parties understand the provisions of the stipulation.

Thank you for your attention to this matter.

Sincerely,

/s/ **Richard Dornfeld**

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RICHARD DORNFELD

Assistant Attorney General

(651) 757-1327 (Voice)

(651) 297-1235 (Fax)

richard.dornfeld@ag.state.mn.us

*Attorney for Minnesota Department of Commerce*

Enclosures

## **APPENDIX C**



2200 IDS Center, 80 South 8th Street  
Minneapolis, MN 55402-2210  
Tel: 612.977.8400 | Fax: 612.977.8650  
taftlaw.com

Elizabeth M. Brama  
612.977.8624  
EBrama@taftlaw.com

July 24, 2025

**Via E-Mail**      [andrew.moratzka@stoel.com](mailto:andrew.moratzka@stoel.com)

Andrew Moratzka  
Stoel Rives LLP  
33 S. Sixth Street, Suite 4200  
Minneapolis, MN 55402

Re:    *In the Matter of the Petition of Minnesota Power for Acquisition of ALLETE by  
Canada Pension Plan Investment Board and Global Infrastructure Partners*  
MPUC Docket No. E-015/PA-24-198

Dear Mr. Moratzka:

On July 14, 2025, Minnesota Power, Global Infrastructure Partners, and Canada Pension Plan Investment Board (the Petitioners) received what you have characterized as discovery regarding the settlement stipulation between the Petitioners and the Department of Commerce in Minnesota Public Utilities Commission Docket 24-198.

Pursuant to the Administrative Law Judge's prehearing order, the deadline to issue discovery requests in this proceeding was March 26, 2025. The questions sent on July 14, 2025, are well beyond that deadline. Further, several of your questions appear to seek legal conclusions, which would not be appropriate to provide through a discovery/information request process.

The Petitioners recognize, however, that there is substantial interest in the settlement, and that several of your questions appear to seek information about what the settlement means or how it works. More generally, we are pleased to provide the information below in order to address and resolve your questions.

As we first reviewed your questions, we identified that the language in the agreement addresses a number of the questions raised. For example, with respect to a comparison of the settlement terms to other commitments in this matter, that information is included in the settlement in Footnote 3, which highlights additional benefits from the settlement beyond those previously offered by Petitioners, such as service quality commitments, a

Mr. Moratzka  
July 24, 2025  
Page 2

\$50 million Clean Firm Technology Fund, and enhancements to other commitments, such as enforceability, to name a few.

You also asked for information regarding the state resident independent directors, which is described in Section 1.23 of the settlement. As explained there, ten directors will be appointed by the Partners with each Partner having the right to appoint one director to the Board for every 10 percent ownership of ALLETE, Inc., three directors will be appointed by agreement among the Partners, and the last seat will be filled by the CEO. The CEO's board seat will not count as a director from the State of Minnesota or State of Wisconsin, so the non-CEO directors must include state resident directors to satisfy the terms of the settlement.<sup>1</sup>

Other questions you have raised focus on the scope of the Commission's regulation of Minnesota Power or related matters. The settlement includes a number of commitments that recognize, and are consistent with, key regulatory principles, while building on those principles to provide further benefits to customers. For example, with respect to your questions regarding the Company's capital plans, as you are aware, the Commission does not approve capital plans. Rather, it is and will continue to be the obligation of the utility (as with other Minnesota utility companies) to develop, finance, and execute a capital plan, and the Commission reviews the prudence of any regulated investments the utility proposes to make via resource plans, certificates of need, rate cases, and other cost recovery proceedings. That said, the settlement provides an enforceable commitment to provide capital to support Minnesota Power's 5-year capital investment plan, subject to such prospective reasonable and prudent plan adjustments.

In addition, Commitment 1.12 in the settlement expressly addresses debt-related concerns raised by parties to the proceeding. Furthermore, it remains the case that the utility will have the burden to prove that its proposed cost of debt is reasonable and that its proposed cost of equity is appropriate, based upon market data and analysis available at the time, in any future rate proceeding. This also means other parties will have the opportunity to provide their own views on reasonable authorized levels of debt, capital structure, and rates of return, and the Commission will ultimately make those decisions for Minnesota Power. Commitments 1.12 and 1.41 build on these existing principles and require Minnesota Power to prove the absence of transaction-related cost of debt increases and other costs, respectively. These commitments are distinct from and in addition to the standard burden of proof.

We also wanted to note that Commitment 1.33, related to access to books and records of Minnesota Power, expands on existing requirements for Minnesota Power by

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<sup>1</sup> In addition, the New York Stock Exchange definition of "independent," as set forth in NYSE Rule 303A.01, which will apply to certain of the directors as set forth in the settlement, can be found on its website, located here: <https://nyseguide.srorules.com/listed-company-manual/09013e2c8503fca9>.



Mr. Moratzka  
July 24, 2025  
Page 3

increasing access to books and records of entities in the post-acquisition structure up to and including Alloy Parent.

You also asked about the estimated date conditions will be met for Minnesota Power's return on equity ("ROE") to be reduced to 9.65 percent following close of the Acquisition and for the other settlement benefits to take effect. Commitment 1.14 in the Settlement provides that the ROE adjustment will take effect "the first full month after both of the following have occurred: (i) the close of the Acquisition and (ii) when the order of the Commission becomes final." The timing of the Commission order will be established by the Commission; as such, we cannot specifically provide dates. Beyond that, the Petitioners hope to close the Acquisition as soon as practicable, which will allow the many benefits of the settlement to begin accruing to customers and the State of Minnesota.

In addition, you asked some questions regarding the Company's plans related to land sales and funding of the CARE program. Commitment 1.46 does not alter land sale proposals in Docket No. E015/PA-20-675, but rather seeks to accelerate the return of these funds to customers and addresses the manner in which the funds are returned to customers (which was not previously determined). LPI and other stakeholders will have the opportunity to respond to the Company's proposal under Commitment 1.46. Commitments related to energy affordability provide binding commitments that benefit consumers, including Commitment 1.47, which ensures the budget for CARE will not be reduced, regardless of circumstances in the future, and further demonstrates the alignment between the Company and the Partners to serve customers in the region.

Lastly, the Partners' willingness to finance a Clean Technology Fund, agree to a rate case stay-out, finance customer arrearages, reduce the ROE, and remove other cost items from rates means neither LPI customers nor any other customers will be asked to pay for those items in the future, providing significant cost savings. The Company has also agreed to service quality commitments with penalties that the Company – not customers – would pay if not met. These binding, enforceable commitments are a material benefit of the settlement.

These commitments will benefit all customer classes, including industrial classes, but cannot take effect unless the acquisition is approved and until the settlement takes effect. Once the acquisition is approved, it will be consummated and, as set forth in Commitment 1.26 of the settlement, the definitive governance documentation regarding ALLETE will be consistent with the settlement as approved by the Commission. And, ultimately, the Commission will determine what the Company's rates and costs to customers will (or will not) be.

Mr. Moratzka  
July 24, 2025  
Page 4

The Petitioners would be happy to meet with you and discuss the settlement. If you would like to do so, Mr. Barlow and I would be happy to schedule a call.

Sincerely,

Taft Stettinius & Hollister LLP

A handwritten signature in blue ink, appearing to read "Elizabeth M. Brama".

**Elizabeth M. Brama**  
[EBrama@taftlaw.com](mailto:EBrama@taftlaw.com)  
(612) 977-8624

cc: Ryan Barlow

***Via E-Mail***

[Ryan.Barlow@lawmoss.com](mailto:Ryan.Barlow@lawmoss.com)