

Williams · Bradbury

A T T O R N E Y S A T L A W

January 7, 2014

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

Re: MPUC Docket No. E015/M-13-1084 – Minnesota Power Service to Boise Paper, a
Packaging Corporation of America company (Boise, Inc.)

Dear Dr. Haar:

Please find enclosed Boise, Inc.'s Comments in reference to Docket No. E015/M-13-1084.

Sincerely,



Ronald L. Williams

RLW:jr
Enclosure

cc: David Moeller

Boise Paper
a Packaging Corporation of America company
400 Second Street, International Falls, MN 56649
T 218.285.5664 F 208.331.5773



January 3, 2014

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

RE: MPUC Docket No. E015/M-13-1084 – Minnesota Power Service to Boise Paper, a Packaging Corporation of America company (Boise, Inc.)

Dear Mr. Haar:

On behalf of Boise Paper (Boise), a Packaging Corporation of America (PCA) company, formerly known as Boise, Inc., I respectfully submit this letter in support of Minnesota Power's (MP) November 25, 2013, Petition for Approval of an Amendment to the Electric Service Agreement between Boise, Inc. and Minnesota Power in the above-referenced docket.

Boise strongly supports MP's petition in this docket and specifically, the request to have the 2013 Amendment to the Electric Service Agreement between Boise and Minnesota Power ("Amendment") effective January 1, 2014. In addition, we endorse the December 24, 2013 comments of the Minnesota Department of Commerce recommending approval of the Amendment and expedited processing of the Petition, so that the Amendment can become effective on January 1, 2014.

The International Falls, Minnesota, paper mill is an important and integrally linked economic asset for both the company and the International Falls Community. We provide more than 580 jobs and support hundreds of secondary jobs in Minnesota's timber harvesting and multiple supplier industries. As the largest employer in Koochiching County, the mill is vital to the economy of Northern Minnesota. Unfortunately, we down-sized our International Falls mill operation last year due to competitive pressures in the North American office paper market.

The Amendment adjusts Boise's energy purchases from MP to reflect the recent downsizing at the mill. The Amendment "right-sizes" the power supply from MP to fit the new operating characteristics at the mill.

Energy costs are a major driver of mill production costs and controlling these costs is critical to maintaining our competitive industry position. More importantly, the

January 3, 2014

Amendment assures a long-term, reliable, competitively priced energy supply to allow Boise to make a ten-year power purchase commitment to MP. This benefits MP's ratepayers and shareholders.

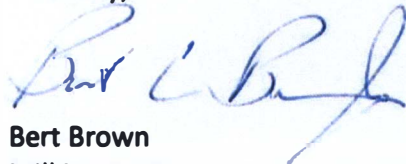
MP and Boise have worked diligently over the past year to craft an Amendment that meets our long-term power supply needs and the financial needs of MP and its ratepayers. Some of these attributes include:

- The Amendment assures MP and its ratepayers that Boise will purchase all of its energy needs from MP through December 31, 2023, without a right of early termination. Without this Amendment, Boise had a two-year right of termination.
- The Amendment requires Boise to make a firm purchase of capacity from MP, on a take-or-pay basis, for the ten-year period, subject to the ability of Boise to reduce demand based on cessation of #3 paper machine or a permanent mill shutdown.
- If Boise is able to further reduce demand through conservation and energy efficiency improvements at the mill, MP and Boise will, in good faith, discuss how this may require additional changes to the Amendment.
- Boise will now be making weekly pre-payments of their estimated bill to MP, with true-ups after the fact.

We urge the Commission to approve MP's Petition for Approval of Amendment and the request for expedited consideration, as this Amendment will have a significant and positive impact on our competitive position in national and international white paper markets, which also benefits MP and its ratepayers.

We are available to answer any questions or otherwise assist the Commission in processing the Petition, in order to timely approve the Amendment, and thank you for your consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read "Bert Brown", is written over a faint, larger version of the same signature.

Bert Brown
Mill Manager

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 8th day of January, 2014, she served Boise's Comments in Docket No. E015/M-13-1084 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 as so indicated on the list.

/s/ Kristie Lindstrom

Subscribed and sworn to before
me this 8th day of January, 2014.

/s/ Jodi Nash

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
Julia	Anderson	Julia.Anderson@ag.state.mn.us	Office of the Attorney General-DOC	1800 BRM Tower 445 Minnesota St St. Paul, MN 551012134	Electronic Service	Yes	OFF_SL_13-1084_M-13-1084
Gary	Anderson	N/A	Stora Enso	Duluth Paper Mill 100 N. Central Avenue Duluth, MN 55807	Paper Service	No	OFF_SL_13-1084_M-13-1084
William	Bond	william.bond@arcelormittal.com	ArcelorMittal USA - Minorca Mine Inc.	PO Box 1 5950 Old Highway 53 Virginia, MN 55792	Electronic Service	No	OFF_SL_13-1084_M-13-1084
Greg	Chandler	greg.chandler@upm-kymmene.com	UPM Blandin Paper	115 SW First Street Grand Rapids, MN 55744	Paper Service	No	OFF_SL_13-1084_M-13-1084
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 500 Saint Paul, MN 551012198	Electronic Service	No	OFF_SL_13-1084_M-13-1084
Burl W.	Haar	burl.haar@state.mn.us	Public Utilities Commission	Suite 350 121 7th Place East St. Paul, MN 551012147	Electronic Service	Yes	OFF_SL_13-1084_M-13-1084
Shane	Henriksen	shane.henriksen@enbridge.com	Enbridge Energy Company, Inc.	1409 Hammond Ave FL 2 Superior, WI 54880	Electronic Service	No	OFF_SL_13-1084_M-13-1084
James	Jarvi	N/A	Minnesota Ore Operations - U S Steel	P O Box 417 Mountain Iron, MN 55768	Paper Service	No	OFF_SL_13-1084_M-13-1084
Gerald P.	Kohanski	gpkohanski@cleveland-cliffs.com	Cleveland-Cliffs Inc.	Suite 1500 1100 Superior Avenue Cleveland, OH 441142518	Paper Service	No	OFF_SL_13-1084_M-13-1084
Michael	Krikava	mkrikava@briggs.com	Briggs And Morgan, P.A.	2200 IDS Center 80 S 8th St Minneapolis, MN 55402	Electronic Service	No	OFF_SL_13-1084_M-13-1084
Ed	LaTendresse	N/A	Hibbing Taconite	P O Box 589 Hibbing, MN 55746	Paper Service	No	OFF_SL_13-1084_M-13-1084

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
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	OFF_SL_13-1084_M-13-1084
Jay	Lofgren	bademailjaylofgren@boisepaper.com	Boise, Inc.	Paper Division 400 - 2nd Street International Falls, MN 56649	Paper Service	No	OFF_SL_13-1084_M-13-1084
Sarah	Manchester	N/A	Sappi Fine Paper North America	255 State St Fl 4 Boston, MA 02109-2617	Paper Service	No	OFF_SL_13-1084_M-13-1084
Keith	Matzdorf	keith.matzdorf@sappi.com	Sappi Fine Paper North America	PO Box 511 2201 Avenue B Cloquet, MN 55720	Electronic Service	No	OFF_SL_13-1084_M-13-1084
David	Moeller	dmoeller@allete.com	Minnesota Power	30 W Superior St Duluth, MN 558022093	Electronic Service	Yes	OFF_SL_13-1084_M-13-1084
Andrew	Moratzka	apmoratzka@stoel.com	Stoel Rives LLP	33 South Sixth Street Suite 4200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_13-1084_M-13-1084
Ralph	Riberich	rriberich@uss.com	United States Steel Corp	600 Grant St Ste 2028 Pittsburgh, PA 15219	Electronic Service	No	OFF_SL_13-1084_M-13-1084
Thomas	Scharff	thomas.scharff@newpagecorp.com	New Page Corporation	P.O. Box 8050 610 High Street Wisconsin Rapids, WI 544958050	Electronic Service	No	OFF_SL_13-1084_M-13-1084
William	Schmidt		USG Interiors, Inc.	35 Arch Street Cloquet, MN 55720	Paper Service	No	OFF_SL_13-1084_M-13-1084
Joe	Scipioni		PolyMet Mining, Inc.	P.O. Box 475 County Highway 666 Hoyt Lakes, MN 55750	Paper Service	No	OFF_SL_13-1084_M-13-1084

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Eric	Swanson	eswanson@winthrop.com	Winthrop Weinstine	225 S 6th St Ste 3500 Capella Tower Minneapolis, MN 554024629	Electronic Service	No	OFF_SL_13-1084_M-13-1084
Jack	Tuomi	N/A	United Taconite	P O Box 180 Eveleth, MN 55734	Paper Service	No	OFF_SL_13-1084_M-13-1084
Karen	Turnboom	karen.turnboom@newpagecorp.com	NewPage Corporation	100 Central Avenue Duluth, MN 55807	Electronic Service	No	OFF_SL_13-1084_M-13-1084