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September 2, 2025

**VIA E-FILING**

Mike Bull  
Executive Secretary  
Minnesota Public Utilities Commission  
121 7th Place East, Suite 350  
St. Paul, MN 55101-2147

Re: In the Matter of Minnesota Power's  
2025 Remaining Life Depreciation Petition  
Docket No. E015/D-25-\_\_\_\_  
**INITIAL FILING**

Dear Mr. Bull:

Minnesota Power respectfully submits its 2025 Remaining Life Depreciation Petition to the Minnesota Public Utilities Commission.

Please contact me at (218) 355-3001 or [bwinfield@allete.com](mailto:bwinfield@allete.com) if you have any questions regarding this filing.

Yours truly,

Brandi K. Winfield

*Supervisor, Accounting*

BKW:ah  
Attach.

## **STATEMENT REGARDING JUSTIFICATION FOR EXCISING TRADE SECRET INFORMATION**

Minnesota Power has excised material from this filing because it includes information regarding its strategic plans for certain of its service centers. This is highly confidential information: Minnesota Power's competitors and contractual counterparties would gain a commercial advantage over Minnesota Power if this information was publicly available. As a result of public availability, Minnesota Power and its customers would suffer from corruption of Minnesota Power's negotiating position. Minnesota Power follows strict internal procedures to maintain the secrecy of this information in order to capitalize on economic value of the information to Minnesota Power.

Minnesota Power believes that this statement justifies why the information excised from the attached petition should remain a trade secret under Minn. Stat. §13.37. Minnesota Power respectfully requests the opportunity to provide additional justification in the event of a challenge to the trade secret designation provided herein.

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

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In the Matter of Minnesota Power's  
2025 Remaining Life Depreciation Petition

Docket No. E015/D-25-\_\_\_\_\_  
**MINNESOTA POWER'S  
INITIAL FILING**

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**SUMMARY**

Pursuant to Minn. Stat. §§ 216B.08 and 216B.11, and Minn. Rules 7825.0600 and 7825.0700, Minnesota Power hereby petitions the Minnesota Public Utilities Commission ("Commission") for approval of its 2025 Remaining Life Depreciation Petition ("Petition"). This Petition establishes the 2025 remaining lives and salvage rates for all of Minnesota Power's production plant assets, along with general plant account 3900. The remaining lives and salvage rates will be used to determine depreciation expense for these assets effective January 1, 2025.

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

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In the Matter of Minnesota Power's  
2025 Remaining Life Depreciation Petition

Docket No. E015/D-25-\_\_\_\_  
**MINNESOTA POWER'S  
INITIAL FILING**

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**I. INTRODUCTION**

Minnesota Power (or “the Company”) hereby petitions the Minnesota Public Utilities Commission (“Commission”) for approval of its 2025 Remaining Life Depreciation Petition (“Petition”). Minnesota Power is requesting that the remaining lives of all facilities be adjusted for one year’s passage of time, with the exception of general plant account 3900 as explained in this filing, and proposes no changes to salvage rates. The proposed changes result in an estimated increase to 2025 annual depreciation expense of \$645,875 compared to 2024 rates and lives.

Beginning with the 2019 Remaining Life Depreciation Petition<sup>1</sup> filed on August 22, 2019 in Docket No. E015/D-19-534, the largest structures included in plant account 3900 Structures and Improvements have been depreciated individually, while group depreciation has been applied to the smaller structures in the account. A review of the structures has been completed and changes to lives proposed accordingly.

**II. TRADE SECRET JUSTIFICATION**

This filing contains information that Minnesota Power considers trade secret. The Company believes this filing comports with the Commission’s Notice relating to Revised Procedures for handling Trade Secret and Privileged Data, pursuant to Minn. Rule 7829.0500. As required by the revised procedures, a statement providing the justification for excising the trade secret data is included.

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<sup>1</sup> *In the Matter of Minnesota Power’s 2019 Remaining Life Depreciation Petition*, Docket No. E015/D-19-534, filed August 22, 2019.

### III. PROCEDURAL REQUIREMENTS

Pursuant to Minn. Rules 7825.3200, 7825.3500 and 7829.1300, subp. 3, Minnesota Power provides the following required information.

A. Name, Address and Telephone Number of Utility (Minn. Rules 7825.3500(A) and 7829.1300, subp. 3(A))

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

B. Name, Address and Telephone Number of Utility Attorney (Minn. Rules 7825.3500(A) and 7829.1300, subp. 3(B))

Matthew Brodin  
Senior Attorney  
Minnesota Power  
30 West Superior Street  
Duluth, MN 55802  
(218) 355-3152  
[mbrodin@allete.com](mailto:mbrodin@allete.com)

C. Date of Filing and Date Proposed Rates Take Effect (Minn. Rules 7825.3500(B) and 7829.1300, subp. 3(C))

This Petition is being filed on September 2, 2025. Minnesota Power respectfully requests that the Commission approve the Petition, with depreciation rates effective as of January 1, 2025.

D. Statute Controlling Schedule for Processing the Filing (Minn. Rules 7829.1300, subp. 3(D))

This Petition is made in accordance with Minn. Stat. § 216B.11 and prior Commission orders. No statutorily imposed time frame for a Commission decision applies to this filing.

E. Utility Employee Responsible for Filing (Minn. Rules 7825.3500(E) and 7829.1300, subp. 3(E))

Brandi K. Winfield  
Supervisor, Property Accounting  
Minnesota Power  
30 West Superior Street  
Duluth, MN 55802  
(218) 355-3001  
[bwinfield@allete.com](mailto:bwinfield@allete.com)

F. Service List

Pursuant to Minn. Rules 7829.0700, Minnesota Power requests that the following persons be placed on the Commission's official service list for this matter:

Matthew Brodin  
Minnesota Power  
30 West Superior Street  
Duluth, MN 55802  
[mbrodin@allete.com](mailto:mbrodin@allete.com)

Brandi K. Winfield  
Minnesota Power  
30 West Superior Street  
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[bwinfield@allete.com](mailto:bwinfield@allete.com)

G. Service on Other Parties

Pursuant to Minn. Stat. § 216.17, subd. 3 and Minn. Rules 7829.1300, subp. 2, Minnesota Power has eFiled this Petition with the Department of Commerce, Division of Energy Resources and served a copy on the Antitrust and Utilities Division of the Office of Attorney General. A summary of the filing prepared in accordance with Minn. Rules 7829.1300, subp. 1 is being served on all parties on Minnesota Power's general service list.

H. Summary of Filing

A one-paragraph summary accompanies this Petition pursuant to Minn. Rules 7829.1300, subp. 1.

#### IV. REMAINING LIFE ADJUSTMENTS

Minnesota Power has reviewed its remaining lives and salvage value estimates for thermal, hydroelectric, wind, and solar production facilities. The Company has determined that the remaining lives of all facilities should be adjusted for one year's passage of time.

The 2024 Remaining Life Depreciation Petition<sup>2</sup> ("2024 Petition") filed on September 24, 2024 in Docket No. E015/D-24-324 proposed changes to salvage rates for facilities impacted by the Legacy Coal Combustion Residuals ("CCR") regulations, Taconite Harbor to reflect updated costs while it is actively decommissioned, and the Bison and Taconite Ridge wind facilities due to updated decommissioning costs. The 2024 Petition is intertwined with the Petition for Approval to Track and Defer Costs Resulting from the Legacy CCR Surface Impoundment Rule ("CCR Petition")<sup>3</sup> in Docket No. E015/M-24-437 filed December 30, 2024. The CCR Petition proposes to defer the investigative costs and increase in depreciation expense resulting from compliance costs that will be incurred by the Company to comply with the CCR regulations. Both the 2024 Petition and CCR Petition have been recommended for approval by the DOC on June 17, 2025. Neither have been approved by the MPUC as of the date of this filing.

On February 1, 2021, Minnesota Power filed its 2021 Integrated Resource Plan ("2021 Plan") for the years 2021 to 2035<sup>4</sup> in Docket No. E015/RP-21-33. The Commission order approving Minnesota Power's 2021 Plan and setting additional requirements was issued on January 9, 2023. For purposes of this Petition, Minnesota Power is utilizing the information and forecast periods provided in the approved 2021 Plan. Appendix C of the 2021 Plan specifically addresses Minnesota Power's fossil generation resources. Minnesota Power recently filed its 2025 Integrated Resource Plan ("2025 Plan") for the years 2025 to 2039<sup>5</sup>. Minnesota Power's 2025 Plan includes a preferred plan that would

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<sup>2</sup> *In the Matter of Minnesota Power's 2024 Remaining Life Depreciation Petition*, Docket No. E015/D-24-324, filed September 24, 2024.

<sup>3</sup> *In the Matter of Minnesota Power's Petition for Approval to Track and Defer Costs Resulting from the Legacy CCR Surface Impoundment Rule*, Docket No. E015/M-24-437, filed December 30, 2024.

<sup>4</sup> *In the Matter of Minnesota Power's 2021-2035 Integrated Resource Plan*, Docket No. E015/RP-21-33, filed February 1, 2021.

<sup>5</sup> *In the Matter of Minnesota Power's 2025-2039 Integrated Resource Plan*, Docket No. E015/RP-25-127, filed March 3, 2025.

enable an annual energy portfolio that is 80 percent renewable by 2030 and 90 percent renewable by 2035. The 2025 Plan includes ceasing coal for customers at the Company's last two remaining coal-fired units by 2035. Minnesota Power's 2025 Plan includes a proposed change in operations at Boswell Unit 3 ("BEC3") to refuel with natural gas in 2030 and continue to operate through the end of 2039. The post-coal operations plan for Boswell Unit 4 ("BEC4") will be brought forward in the next IRP. The Company will continue to analyze options to refuel/remission BEC4 and associated transmission infrastructures as coal operations cease by 2035. Minnesota Power does not expect its 2025 Plan to be approved until late 2025 at the earliest. Therefore, no outcomes from that filing are incorporated into this filing.



The following schedule indicates proposed remaining lives in number of years, proposed salvage rates, proposed end of lives, and 2021 Plan operational lives of the facilities used in the IRP EnCompass modeling.

	Proposed Remaining Lives (Years)	Proposed Salvage Rates	Proposed End of Lives	2021 IRP Operational Lives
<b>Thermal Production Plants</b>				
Hibbard Renewable Energy Center	5.0	(6.98%)	12/2029	2035
Laskin Energy Center	6.0	(34.11%)	12/2030	2035
<b>Boswell Energy Center</b>				
Unit 3	11.0	(16.72%)	12/2035	2035
Unit 4	11.0	(6.42%)	12/2035	2035
Common	11.0	(15.19%)	12/2035	2035
Taconite Harbor Energy Center	2.0	(18.65%)	12/2026	2021
<b>Hydroelectric Production Plants</b>				
Birch Lake Reservoir	39.0	0%	12/2063	2063
Blanchard HE Station	39.0	0%	12/2063	2063
Boulder Lake Reservoir	39.0	0%	12/2063	2063
Fish Lake Reservoir	39.0	0%	12/2063	2063
Fond du Lac HE Station	39.0	0%	12/2063	2063
Gauging Stations and White Iron Lake Reservoir	39.0	0%	12/2063	2063
Island Lake Reservoir	39.0	0%	12/2063	2063
Knife Falls HE Station	39.0	0%	12/2063	2063
Little Falls HE Station	39.0	0%	12/2063	2063
Pillager HE Station	39.0	0%	12/2063	2063
Prairie River HE Station	39.0	0%	12/2063	2063
Rice Lake Reservoir	39.0	0%	12/2063	2063
Scanlon HE Station	39.0	0%	12/2063	2063
Sylvan HE Station	39.0	0%	12/2063	2063
Thomson HE Station	39.0	0%	12/2063	2063
Whiteface Reservoir	39.0	0%	12/2063	2063
Winton HE Station	39.0	0%	12/2063	2063

	Proposed Remaining Lives (Years)	Proposed Salvage Rates	Proposed End of Lives	2021 IRP Operational Lives
Other Production Plants				
Taconite Ridge I Wind	18.4	(0.35%)	5/2043	2043
Bison 1A Wind	20.9	(0.65%)	11/2045	2045
Bison 1B Wind	22.0	(0.60%)	12/2046	2046
Bison 2 Wind	23.0	(0.37%)	12/2047	2047
Bison 3 Wind	23.0	(0.44%)	12/2047	2047
Bison 4 Wind	25.0	(0.20%)	12/2049	2049
Community Solar Garden	16.9	0%	11/2041	2041

Minnesota Power will continue to address the reconciliation between remaining lives and the latest approved integrated resource plan (currently the 2021 Plan) in a reasonable and timely manner. As reconciliation issues are addressed, Minnesota Power will review its remaining lives, making any adjustment based on the factors known at that time. The following is a discussion of the Company's production facilities and the proposed remaining lives of these facilities.

### **Regulated Thermal Production Facilities**

#### **Hibbard Renewable Energy Center ("HREC")**

HREC Units 3 and 4, located at the M. L. Hibbard Facility, operate as peaking resources and have been providing a portion of Minnesota Power's spinning reserves since 2004. In 2021 and 2022, HREC was dispatched by MISO more frequently due to the higher power prices and procurement of competitive biomass, producing energy at the higher range of a typical peaking resource. The estimated remaining life of these units is through 2029 which is shorter than the estimated operational life used in the analysis for the 2021 Plan. Per the 2021 IRP order, a retirement study for Hibbard was to be included in Minnesota Power's next Integrated Resource Plan, which was filed in March 2025<sup>5</sup>, and the remaining life of these units will be adjusted, if needed, based on results of the 2025 IRP.

### Laskin Energy Center (“LEC”)

LEC Units 1 and 2 are similar units in design and intended operation. LEC is treated as one unit and has one remaining life for purposes of computing annual depreciation accruals. Ongoing reinvestment has maintained the reliability of these units. Minnesota Power completed a conversion of LEC Units 1 and 2 to gas peaking units in June 2015. On June 20, 2016, the Minnesota Pollution Control Agency approved Minnesota Power’s modified LEC ash cell closure plan. Laskin’s ash ponds and coal pile have been closed and retired. In 2021 and 2022, LEC was dispatched by MISO more frequently to maintain local reliability due to localized transmission projects and associated outages. The estimated remaining life of LEC is through 2030 which is shorter than the estimated operational life used in the analysis for the 2021 Plan. In the 2021 Plan, LEC was modeled through the end of the study period since no retirement study was completed and no retirement date was identified at that time.

### Taconite Harbor Energy Center (“THEC”)

Minnesota Power treats THEC as one unit with one remaining life for purposes of computing annual depreciation accruals and proposes to continue to treat THEC in this manner. To protect affordability for customers in the near term and further reduce emissions in the region, Minnesota Power ceased coal operation for THEC Unit 3 in May 2015. Minnesota Power announced on July 9, 2015, the Company’s plan to economically idle THEC Units 1 and 2 in the fall of 2016 and cease coal operations at THEC Units 1 and 2 in 2020.<sup>6</sup> During the idle period and up to retirement, Minnesota Power continued to maintain the THEC facility as safely and cost effectively as prudent for a site that is pending a retirement. Through 2020 the Company made THEC Units 1 and 2 available to MISO for resource adequacy through the annual Planning Resource Auction, but did not clear the MISO capacity auction. If the units were needed to operate per MISO’s direction Minnesota Power was ready to do so. In a prior rate case (Docket No. E-015/GR-21-335)<sup>7</sup> the Commission authorized Minnesota Power to recover THEC’s

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<sup>6</sup> Order Point 3 of the Commission’s July 18, 2016 Order in Docket No. E015/RP-15-690 approved idling of Taconite Harbor Energy Center Units 1 and 2 in 2016 while retaining the ability to restart them to address reliability or emergency needs on the transmission system.

<sup>7</sup> Order Point 8 of the Commission’s February 28, 2023 Order in Docket N. E015/GR-21-335 approved the establishment of a sunset provision ending December 31, 2026 to recover remaining depreciation expense for Taconite Harbor.

annual depreciation expense with a sunset provision ending December 31, 2026. The retirement of THEC was approved in Minnesota Power's 2021 IRP. When Minnesota Power retired THEC in March 2023, the remaining balances were transferred to regulated assets and the regulated assets are being amortized through 2026.

#### Boswell Energy Center ("BEC")

BEC Units 1 and 2 ("BEC1&2") were retired in December 2018. In the Commission's January 14, 2019 Order in the matter of Minnesota Power's 2018 Remaining Life Depreciation Petition (Docket No. E-015/D-18-544), the Commission approved remaining lives of five years as of January 1, 2018, for BEC1&2, based on a retirement year of 2022. When Minnesota Power retired BEC1&2 in December 2018, the remaining balances were transferred to regulated assets to be amortized through 2022. In the Company's former rate case (Docket No. E-015/GR-21-335)<sup>8</sup>, Minnesota Power proposed, and the Commission approved that the final year of amortization in 2022 be amortized over three years in the rate case test year to avoid over-collection in future rates.

In 2021, Minnesota Power transitioned BEC3 to economic dispatch and reduced the operational minimums from 175 MW to 75 MW creating significantly more flexibility for the unit in its daily operations. BEC3 operates with the most mature, commercially available technology to significantly reduce emissions of mercury and well-established control technologies that have the ability to meet Best Available Control Technology performance standards to significantly reduce NO<sub>x</sub>, SO<sub>2</sub> and particulate matter. In the 2021 Plan, the Commission ordered Minnesota Power to cease coal operations at BEC3 by December 31, 2029 and to specifically evaluate converting BEC3 to a synchronous condenser upon retirement. The Company's next IRP, filed in March 2025,<sup>5</sup> evaluates capacity and energy replacement options for BEC3 coal operations, including the re-use of valuable infrastructure at the plant such as interconnects and existing boiler and turbine.

BEC4 provides base load energy operating at a high load factor and is jointly owned by Minnesota Power (80 percent) and WPPI Energy (20 percent). BEC4 operates with NO<sub>x</sub>

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<sup>8</sup> Order Point 30 of the Commission's February 28, 2023 Order in Docket N. E015/GR-21-335 approved the sunset provision for the BEC 1&2 Regulatory Asset

emission reduction control systems including low NO<sub>x</sub> burners and selective non-catalytic reduction, along with a high efficiency turbine rotor. Minnesota Power completed an environmental retrofit project on BEC4 in December 2015 as a multi-pollutant solution for reducing mercury, particulate matter, sulfur dioxide, and other hazardous air pollutants being addressed by EPA regulations while also reducing plant wastewater contemplated for regulation under EPA's Effluent Limit Guidelines. Minnesota Power installed a semi-dry flue gas desulfurization system, fabric filter and powder activated carbon injection system to achieve compliance with the Minnesota Mercury Emission Reduction Act ("MERA"), the EPA Mercury and Air Toxics Rule, and other enacted or pending federal and state environmental rulemakings regulating air and water emissions and solid byproducts from coal-fired power plants. Through multi-pollutant control technology, Minnesota Power is cost-effectively achieving the mercury emission reduction required by MERA while positioning the facility for compliance with other regulatory programs over the long term. In the 2021 Plan, the Commission ordered Minnesota Power to cease coal operations at BEC4 by December 31, 2035. The Company's next IRP, filed in March 2025<sup>5</sup>, evaluates capacity and energy replacement options for BEC4 coal operations, including the re-use of valuable infrastructure at the plant such as interconnects and existing boiler and turbine.

The estimated remaining lives of BEC3, BEC4, and BEC Common are all 2035 and Minnesota Power requests that the remaining net plant balances of all the units be recovered over this current remaining life. These 2035 lives are equal to the estimated operational lives of these BEC facilities in the 2021 Plan.<sup>9</sup>

### **Hydroelectric Production Facilities**

All of Minnesota Power's hydroelectric facilities hold FERC (Federal Energy Regulatory Commission) licenses and the facilities are being maintained in accordance with the terms of these licenses. As the state's largest producer of hydroelectric power, this legacy hydro

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<sup>9</sup> Order Point 1.a. of the Commission's May 29, 2018 revision to the March 12, 2018 Order in Docket No. E015/GR-16-664 ordered effective January 1, 2018, the approved depreciation accounting lives of Boswell 3, Boswell 4 and their common facilities shall be set to end in 2035. In addition, in the Commission's January 14, 2019 Order in the matter of Minnesota Power's 2018 Remaining Life Depreciation Petitions (Docket No. E-015/D-18-544), the Commission approved remaining lives of eighteen years as of January 1, 2018, for these facilities. This also sets the depreciation accounting lives of these facilities to end in 2035.

system is a valuable asset for meeting customer needs and to meet the state's requirement to be 100 percent carbon free by 2040. Furthermore, the Company's hydro fleet includes dispatchable renewables (i.e. ponding capability) which will be needed for a reliable power supply as the Company and state transition to more intermittent renewables. The reservoirs, dams and gauging stations are expected to have a useful economic and operating life matching that of the hydro stations they support. All of the Company's hydroelectric production plant facilities have estimated remaining lives through 2063 which agrees with the estimated operational lives in the 2021 Plan.

### **Wind Production Facilities**

Taconite Ridge I Wind Energy Center ("TREC"), a 25 MW wind production facility with ten turbines, was placed in-service in June 2008. In 2016 through 2021, pitch bearings, blades, hubs, power conditioning matrices, and gearbox bearings were replaced as needed on these turbines, which requalified all ten turbines for production tax credits by August 2021. TREC has an estimated remaining life through May 2043. Bison 1A, a 36.8 MW wind production facility with sixteen wind turbines, was placed in-service in November 2010 and has an estimated remaining life through November 2045. Bison 1B, a 45.0 MW wind production facility with fifteen wind turbines, was placed in-service in December 2011 and has an estimated remaining life through 2046. Bison 2 and 3, which are each 105 MW wind production facilities with thirty-five wind turbines, were placed in-service in December 2012 and have estimated remaining lives through 2047. Bison 4, a 204.8 MW wind production facility with sixty-four wind turbines, was placed in-service in December 2014 and has an estimated remaining life through 2049. The estimated remaining lives noted above of all production assets at these wind facilities agrees with the estimated operational lives in the 2021 Plan.

### **Solar Production Facility**

The Community Solar Garden Pilot Program project consists of a 40 kW solar generation system on company-owned property in Duluth, Minnesota and was placed in-service in 2016. All production assets of the solar production facility have estimated remaining lives

through November 2041 which agrees with the estimated operational life in the 2021 Plan.<sup>10</sup>

### **General Plant Account 3900**

Minnesota Power has also reviewed its remaining lives and salvage value estimates for general plant account 3900-Structures and Improvements. Minnesota Power is requesting that the remaining lives of all general plant account 3900-Structures and Improvements be adjusted according to future company intent and proposes no changes to salvage rates.

The original long-range plan for Park Rapids Service Center was [TRADE SECRET DATA BEGINS] [REDACTED]

[REDACTED] [TRADE SECRET DATA ENDS] However, the Park Rapids, Coleraine, Cloquet, and International Falls Service Centers have subsequently been determined to have future economic use and the Company intends to continue operation and upgrades through at least 2040. The lives for both the Herbert and Little Falls Service Centers are to be decreased to 2030 due to the long-range plan to [TRADE SECRET DATA BEGINS] [REDACTED]

[TRADE SECRET DATA ENDS]. The Company is proposing a decrease of life to 2040 for the Little Falls DC Line Material Storage Facility. [TRADE SECRET DATA BEGINS]

[REDACTED] [TRADE SECRET DATA ENDS]

Location	Proposed Remaining Life (Years)	Proposed Salvage Rates	Proposed End of Life
General Office Building	26	0%	12/2050
Rowe Energy Control Center	26	0%	12/2050

<sup>10</sup> Minnesota Power has \$14,971,360 in Property Under a Capital Lease for Camp Ripley, a 10 MW utility scale solar project at the Camp Ripley Minnesota Army National Guard base and training facility near Little Falls, MN (Docket No. E-015/M-15-773). Minnesota Power has the option at the end of the financing term in 2027 to renew for a two-year term, or to purchase the solar array. Minnesota Power anticipates exercising the purchase option when the term expires in 2027.

<b>The long range plan for these facilities is significant planned future investment.</b>			
Cloquet Service Center	16	0%	12/2040
Coleraine Service Center	16	0%	12/2040
Eveleth Service Center	16	0%	12/2040
International Falls Service Center	16	0%	12/2040
Little Falls DC Line Material Storage Facility	16	0%	12/2040
Park Rapids Service Center	16	0%	12/2040
Pine River Service Center	16	0%	12/2040
Sandstone Service Center	16	0%	12/2040
Misc. Structures & Improvements	16	0%	12/2040
<b>The long range plan for these facilities is continued operation and upgrades.</b>			
Herbert Service Center	6	0%	12/2030
Little Falls Service Center	6	0%	12/2030
<b>The long range plan for these facilities is minimal planned future investment.</b>			

### **Appendices**

Enclosed in Appendix A-1 through A-4, please find depreciation schedules as required by Commission filing requirements, Minn. Rules 7825.0700, subp. 1: Plant in Service, Analysis of Depreciation Reserve, and Summary of Annual Depreciation Accruals.

## **V. FUTURE ADDITIONS OR RETIREMENTS AFFECTING CURRENT CERTIFICATION**

Minnesota Power does not have any major future additions or retirements to plant accounts that would materially impact the 2025 depreciation accruals. In the Company's former rate case (Docket No. E-015/GR-21-335) the Commission authorized Minnesota Power to recover THEC's annual depreciation expense with a sunset provision ending December 31, 2026<sup>7</sup>. The retirement of THEC was approved in Minnesota Power's 2021 IRP<sup>4</sup>. When Minnesota Power retired THEC in March 2023, the remaining balances were transferred to regulated assets and the regulated assets are being amortized through 2026. Minnesota Power recently filed its 2025 Integrated Resource Plan ("2025 Plan") for the years 2025 to 2039<sup>3</sup>. Minnesota Power's 2025 Plan includes a preferred plan that would enable an annual energy portfolio that is 80 percent renewable by 2030 and 90 percent renewable by 2035. The 2025 Plan includes ceasing coal for customers at the



Company's last two remaining coal-fired units by 2035. Minnesota Power's 2025 Plan includes a proposed change in operations at Boswell Unit 3 ("BEC3") to refuel with natural gas in 2030 and continue to operate through the end of 2039. The post-coal operations plan for Boswell Unit 4 ("BEC4") will be brought forward in the next IRP. The Company will continue to analyze options to refuel/remission BEC4 and associated transmission infrastructures as coal operations cease by 2035. Currently the remaining lives of BEC3, BEC4, and BEC Common are all 2035 and Minnesota Power requests that the remaining net plant balances of all BEC units be recovered over this current remaining life.

## **VI. CONCLUSION**

Minnesota Power is requesting that the remaining lives of all facilities be adjusted for one year's passage of time, except for general plant account 3900 as justified above, and proposes no changes to salvage rates. The proposed changes result in an estimated increase to 2025 annual depreciation expense of \$645,875 compared to 2024 rates and lives.

Date: September 2, 2025

Respectfully submitted,

/s/ Brandi K. Winfield

Brandi K. Winfield  
Supervisor, Property Accounting  
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bwinfield@allete.com

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

AFFIDAVIT OF SERVICE VIA  
ELECTRONIC FILING

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I, Amy M. Honkala of the City of Duluth, County of St. Louis, State of Minnesota, hereby certify that on the 2nd day of September, 2025, I electronically filed a true and correct copy of Minnesota Power's **Initial Filing in Docket No. E015/D-25-XXX** on the Minnesota Public Utilities Commission and the Energy Resources Division of the Minnesota Department of Commerce via electronic filing. The persons on eDocket's Official Service List for this Docket were served as requested.



\_\_\_\_\_  
Amy M. Honkala