

**STATE OF MINNESOTA
PUBLIC UTILITIES COMMISSION**

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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

Docket No. E-015/PA-24-198

REPLY COMMENTS OF THE CITIZENS UTILITY BOARD OF MINNESOTA

The Citizens Utility Board of Minnesota (“CUB”) submits these reply comments in response to the Commission’s Notice of Comment Period on the proposed Settlement Stipulation entered into by the Minnesota Department of Commerce (“Department”), ALLETE, Global Infrastructure Partners (“GIP”), and the Canadian Pension Plan Investment Board (“CPPIB” and with GIP, the “Partners”).¹ These comments also respond to Parties’ Exceptions to the ALJ Report.

I. ANALYSIS

To examine whether approval of the acquisition is consistent with the public interest, this proceeding should focus on applying the applicable legal standard to the factual record to assess whether ALLETE has met its burden to show the potential benefits of approving the Acquisition outweigh the potential risks. The primary purported benefit of the Acquisition is that it improves ALLETE’s access to capital, which ALLETE claims is needed to comply with the Carbon Free Standard. Thus, part of the Petitioners’ burden becomes showing (i) ALLETE currently lacks access to capital, and (ii) approving the Acquisition (which would result in ALLETE giving up its access to public markets to become solely reliant on the Partners for equity capital) would improve that access. Finally, if ALLETE shows the Acquisition would improve its access to capital, it still must prove that benefit outweighs the risks of approving the Acquisition. Throughout this proceeding, expert witnesses from six parties introduced substantial evidence of potential risks arising from the Acquisition. As the ALJ determined,

¹ *In the Matter of the Petition of Minnesota Power for Acquisition of ALLETE by Canada Pension Plan Investment Board and Global Infrastructure Partners*, Notice of Comment Period on the Proposed Settlement, Docket No. E-015/PA-24-198 (July 18, 2025) (“Commission Notice”).

the record does not support a finding that ALLETE has met its burden to show the Acquisition is needed, or that the potential benefits of approving it outweigh the potential risks. The proposed Settlement reached between the Petitioners and the Department does not reset that balance. Thus, the record supports denial of the Acquisition.

A. Response to Petitioners

Petitioners made numerous, wide-ranging arguments in their Exceptions to the ALJ Report. We lack time to respond to all of Petitioners' arguments; however, we respond to some.

- i. Not adopting Petitioners' proposed findings is not equivalent to not considering them.*

Much of the Petitioners' Exceptions are devoted to suggesting that the ALJ ignored their arguments in her Report. The Petitioners overstate this concern. It is common practice for Administrative Law Judges to ask parties to file proposed findings of fact and conclusions of law to assist the ALJ in writing her report.² Two such sets of proposed findings were filed in this record: one written by parties opposing the Acquisition³ and the other by parties supporting it.⁴ Both are filed in eDockets and available to the Commission. The Petitioners fairly note that much of the ALJ Report closely aligns with the proposed findings offered by the opposing parties. However, this does not mean that the ALJ made a decision "based only on part of the record" or that the Report "does not include independently developed findings and conclusions."⁵ The more logical explanation is that the ALJ considered both sets of proposed findings and strongly agreed with one set over the other. In a memorandum accompanying the Report, the ALJ explained, in her own words, her assessment of the applicable legal standard and reasons for finding opposing parties' arguments more persuasive.⁶

² For example, Minnesota Power has filed such proposed findings in its recent, fully contested rate cases. *See e.g., In the Matter of the Application of Minnesota Power for Authority to Increase Rates for Electric Utility Service in Minnesota*, Minnesota Power's Proposed Findings of Fact, Conclusions of Law and Recommendation, Docket No. E-15/GR-21-355 (Aug. 1, 2022).

³ *In the Matter of the Petition of Minnesota Power for Acquisition of ALLETE by Canada Pension Plan Investment Board and Global Infrastructure Partners*, Joint Proposed Findings of Fact, Conclusions of Law, and Recommendations of the Public Interest Intervenor, Docket No. E-015/PA-24-198 (May 29, 2025).

⁴ *In the Matter of the Petition of Minnesota Power for Acquisition of ALLETE by Canada Pension Plan Investment Board and Global Infrastructure Partners*, Joint Proposed Findings of Fact, Conclusions of Law, and Recommendation to Approve the Acquisition, Docket No. E-015/PA-24-198 (May 29, 2025).

⁵ *In the Matter of the Petition of Minnesota Power for Acquisition of ALLETE by Canada Pension Plan Investment Board and Global Infrastructure Partners*, Petitioners' Exceptions to the ALJ Report, Docket No. E-015/PA-24-198 (Aug. 4, 2025), p. 6 ("Petitioners' Exceptions").

⁶ *In the Matter of the Petition of Minnesota Power for Acquisition of ALLETE by Canada Pension Plan Investment Board and Global Infrastructure Partners*, Administrative Law Judge's HCTS Report, Docket No. E-015/PA-24-198 (July 15, 2025), p. 69 ("ALJ Report").

The Petitioners further state:

The Commission is responsible for deciding all cases, including this one, based on the record as a whole. As explained by the Minnesota Supreme Court, agency decision-makers must “make their own ‘independent decisions and not . . . rubber stamp the findings of a hearing examiner.’” The fundamental purpose of a report from an ALJ is to provide a complete account and analysis of the full record so that the Commission can exercise its independent judgment and fulfill its ultimate decision-making responsibility.⁷

We agree the Commission is responsible for deciding all matters before it, based on the record as a whole. We also agree that Commission decisions must be supported by substantial evidence and must not be arbitrary and capricious.⁸ On the other hand, a “[r]ejection of the ALJ’s recommendations without explanation. . . may [also] suggest that the agency exercised its will rather than its judgment and was therefore arbitrary and capricious.”⁹ “[T]he ALJ’s report is only one part of the record,”¹⁰ but it is an important part. As overseer of the contested case proceeding, the ALJ permitted the Petitioners “the right to be heard; the right to the production of witnesses and documents; the taking of evidence; the examination and cross-examination of witnesses; the right to present argument; and a decision on the merits.”¹¹ As such, she afforded the Petitioners a fair administrative hearing and offered her informed recommendation to the Commission based on her assessment of the evidentiary record developed under her oversight. If the Commission chooses to reject the ALJ Report or amend its findings, it has the right to do so—but it must explain its reasoning for arriving at conclusions different from the ALJ in a way that is grounded in substantial record evidence.

ii. The Petitioners cite legislation creating the Carbon Free Standard when convenient to their arguments and ignore it when it’s not.

The Petitioners claim the ALJ Report “gets the law wrong” and that it “suggests the Commission should reverse years of precedent” by applying a net benefits test to determine whether the Acquisition is consistent with the public interest.¹² In support of this claim, Petitioners state “the Report selectively relied on legislative findings to underscore customer interests, such as reliability and reasonable rates, while clearly neglecting the Legislature’s plain language directive that the

⁷ Petitioners’ Exceptions at 3.

⁸ See Petitioners’ Exceptions at 3, FN 9.

⁹ *In re Excess Surplus Status of Blue Cross and Blue Shield of Minn.*, 624 N.W.2d 264, 278 (Minn. 2001).

¹⁰ *City of Moorhead v. Minn. Pub. Utils. Comm’n*, 343 N.W.2d 843, 847 (Minn. 1984).

¹¹ *State ex rel. Spurck v. Civil Serv. Bd.*, 226 Minn. 240, 247, 32 N.W.2d 574, 579 (1948)

¹² Petitioners’ Exceptions at 22.

Commission should also consider ‘the financial and economic requirements of public utilities.’”¹³ Hypocritically, the Petitioners, themselves, ignore the plain language in recent legislation establishing the Carbon Free Standard, just as they state “[t]he primary goal of the Acquisition is to equip the Company with reliable access to equity capital necessary to finance the investments in clean energy technologies needed to comply with the Carbon Free Standard.”¹⁴ Legislation establishing the Carbon Free Standard affirmatively requires the Commission to “take all reasonable actions within the commission's statutory authority to ensure this section is implemented in a manner that maximizes net benefits to all Minnesota citizens.”¹⁵ This legislation was passed after the Commission considered previous acquisitions in the cases cited by the Petitioners. It is appropriate of the ALJ to consider it and apply it to the present case, and it is inappropriate for Petitioners to ignore it in their description of the applicable legal standard.

iii. CUB does not “speculate” that public markets may provide adequate capital to the company; we rely on the Company's own Annual Reports.

Petitioners claim “[w]hile other parties speculated that public markets may provide adequate capital to the Company, they provided no quantification or other evidence that this is a reasonable conclusion and operated from an academic perspective rather than with the utility's (and the utility's advisors', Partners', and expert Quackenbush's combined) expertise and real-world experience.”¹⁶ CUB's conclusion about public markets providing ALLETE adequate access capital is grounded in the Company's own words, expressed in critical securities filings signed by the Company's top leadership and prepared with the assistance of legal counsel. There is arguably no better “real-world” document expressing ALLETE's perspectives on its capital needs and ability to meet them than ALLETE's own Annual Report (Form 10-K). The ALJ's finding on this point is an objective, factual statement:

ALLETE's professed doubts about public market adequacy conflict with statements made to investors in its annual SEC filings. In its 2023 annual report, ALLETE told investors that it had adequate access to capital markets. Most recently, in its 2024 annual report filed in February 2025, ALLETE again confirmed that it is “well positioned to meet our financing needs due to . . . access to capital markets.” Both the 2023 and 2024 10-K filings were signed by ALLETE's Chief Executive Officer, Chief Financial Officer, and every member of ALLETE's Board.¹⁷

¹³ *Id.* at 89, citing Minn. Stat. § 216B.01.

¹⁴ *Id.* at 45 (“The primary goal of the Acquisition is to equip the Company with reliable access to equity capital necessary to finance the investments in clean energy technologies needed to comply with the Carbon Free Standard.”)

¹⁵ Minn. Stat. § 216B.691 Subd. 9 (emphasis added).

¹⁶ Petitioners' Exceptions at 51.

¹⁷ ALJ Report at 28 (internal citations omitted).

The Petitioners attempt to dismiss the import of this evidence by suggesting “the Form 10-K expressly detailed that access to capital was a risk factor that could affect the Company’s ability to execute its business plans, make capital expenditures, or pursue other strategic actions.”¹⁸ This argument lacks merit. All public companies’ 10-K Annual Reports include risk factors that account for a variety of risks that could affect the operations and projections of the company filing it. Disclosing such potential risks is a key purpose of the report. Each of Xcel,¹⁹ OtterTail,²⁰ and CenterPoint²¹ include risk factors in their latest annual reports disclosing potential risks associated with an inability to access sufficient capital, yet none of those entities are seeking the Commission’s approval of a take-private acquisition. The inclusion of this type of general risk factor in ALLETE’s Annual Reports does not negate ALLETE’s *specific* statements about its *specific* 5-year capital plan. This is particularly true in this case, where ALLETE’s witnesses literally point to the same document (Xcel’s 2024 10-K) as establishing the projected capital needs ALLETE claims it will not be able to meet without the Acquisition.²² Below is a timeline showing instances when ALLETE made conflicting statements, in short proximity, about its ability to meet its 5-year capital needs via its access to public markets. The Petitioners have not adequately explained the audience-specific discrepancies in these statements.

Date	SEC Filing/Shareholder communication	PUC Filing/Witness Statement
Feb. 4, 2024	According to the Proxy Statement, the Partners offered ALLETE \$64.00 per share, describing it as their “best and final” offer. ²³	
Feb. 16, 2024	According to the Proxy Statement, the ALLETE Board received an overview of the Company’s standalone financing plan and, after reviewing it, determined the Partner’s \$64.00 offer was insufficient. In the weeks that followed, the Board elected to move ahead with the standalone plan. ²⁴	
Feb. 20, 2024	The Company filed its 2023 Annual Report stating of its 5-year capital plan: “We are well positioned to meet our financing needs due to adequate	

¹⁸ Petitioners’ Exceptions at 47.

¹⁹ Xcel Energy, Inc. 2024 10-K Annual Report at 18 (“Utility operations require significant capital investment. As a result, we frequently need to access capital markets. Any disruption in capital markets could have a material impact on our ability to fund our operations.”)

²⁰ OtterTail 2024 10-K Annual Report at 21 (“We rely on access to debt and equity capital markets as a source of liquidity to fund our investment initiatives, including rate base growth investments in our Electric segment and opportunities for investment, including acquisitions, in our Manufacturing and Plastics segments. . . . If we are unable to access capital on acceptable terms and at reasonable costs, our ability to implement our business plans may be adversely affected.”)

²¹ CenterPoint 2024 10-K Annual Report at 32 (“Our future financing activities may be significantly affected by . . . our ability to access capital markets on reasonable terms.”)

²² ALJ Report at 26, citing Ex. MP-11 at 6 (Taran Direct); Ex. MP-28 at 7 (Scissons Rebuttal).

²³ ALJ Report at 49, citing Ex. MP-1, Attach. L at 49–52 (Initial Petition).

²⁴ *Id.*, citing Ex. MP-1, Attach. L at 51 (Initial Petition).

	operating cash flows, available additional working capital and access to capital markets.” ²⁵	
Dec. 12, 2024		Witness Taran testifies “[b]ecause ALLETE’s operations do not generate sufficient cash flow to fund its capital needs, the Company would not be able to make the necessary investments to meet the State’s Carbon Free Standard without external capital” and “It is highly likely that ALLETE would have difficulty raising the amounts of capital Minnesota Power will need in the future without the Acquisition.” ²⁶
Feb. 13, 2025	The Company filed its 2024 Annual Report stating of its 5-year capital plan: “We are well positioned to meet our financing needs due to adequate operating cash flows, available additional working capital and access to capital markets.” ²⁷	
Mar. 4, 2025		Witness Scissons testified: “Given the size of the Company’s equity needs, it would be difficult to raise capital at opportune times in the public markets, if it were possible at all to obtain the amount of equity needed.” ²⁸

iv. The Petitioners’ new claims that the Acquisition will lower rates are unsupported and misleading.

Petitioners claim “to the extent the Acquisition will have any impact on rates, it will result in lower rates . . . estimated to save customers approximately \$132 million.”²⁹ In support of this claim, Petitioner’s cite only Attachment C to their Exceptions. Attachment C contains three pages of charts and graphs providing minimal citations or explanations of how the Petitioners arrive at this \$132 million figure.³⁰ Most of these purported rate “savings” are attributed to commitments made in the proposed Settlement.³¹ Page 2 of Attachment C shows that around two-thirds of the purported costs savings (\$88.4 million out of \$132.4 million) are “one time” benefits, and \$34 million of that \$88.4 will likely expire after the Company files its next rate case.³² Finally, for the reasons discussed in our response to the Department’s comments, below, characterizing the Acquisition as providing “savings” to ratepayers is highly misleading.

²⁵ *Id.* at 28, citing Ex. Sierra Club-1100 at 12 (Lane Direct).

²⁶ Ex. MP-11 (Taran Direct) at 7, 6.

²⁷ *Id.* at 28, citing Ex. MP-45 at 62 (ALLETE 2024 Form 10-K);

²⁸ Ex. MP-28 (Scissons Rebuttal) at 7.

²⁹ Petitioners’ Exceptions at 36.

³⁰ *Id.* at Attachment C.

³¹ *Id.*

³² *Id.*

v. *The Petitioners mischaracterize the ALJ's conclusions on public comments.*

In a summary of public comments attached to the Report, the ALJ states:

Comments in support of the Acquisition largely repeated the Petitioner's employee and public messaging about the Acquisition - expressing that it will provide Minnesota Power with the capital needed to satisfy the Carbon Free Standard while continuing to be a positive presence in the local community. Commenters frequently noted trust in the current leadership of the Company. Numerous commentors in support of the Acquisition were Minnesota Power employees. Many other supportive commentors were from nonprofit or community organizations that receive funds from Minnesota Power. These commentors often indicated support for Minnesota Power but did not comment on the merits of the transaction itself. It is unclear whether these individuals felt obligated to support Minnesota Power due to the financial support they are provided by the company.³³

Petitioners expressed frustration over this statement, suggesting the ALJ Report is "dismissive" of local entities and organizations supporting the Acquisition.³⁴ To be clear, CUB agrees with Petitioners that public comments are an important part of any record, and that, "[r]egardless of whether one agrees or disagrees with their viewpoints, public commenters should be treated with equal respect."³⁵ That said, the Petitioners mischaracterize the ALJ's primary message. The primary point we believe the ALJ is making is that several of the community organizations and entities participating in public hearings (whose prominent names and reputation in the community inherently adds weight to their testimony) framed their comments in support for the Acquisition based on an appreciation for the company and trust in ALLETE's leadership—not on their review of the Acquisition transaction, itself. We disagree with the Petitioners' suggestion that the ALJ's comment goes as far as insinuating "the supporters of the Acquisition lack integrity and would make false statements for alleged financial gain."

B. Response to the Department

Between filing initial comments and reply comments, we have reflected further on the Department's letter accompanying the proposed Settlement, which suggests approval of the Acquisition would "deliver immediate ratepayer benefits," including a cumulative \$105.9 million in "ratepayer savings."³⁶ The Department arrives at this number by pointing to three sources of ratepayer benefits: i) a reduced ROE that "will save ratepayers approximately \$5.5 million over the

³³ ALJ Report at Attachment A.

³⁴ Petitioners' Exceptions at 17.

³⁵ *Id.* at 20.

³⁶ *In the Matter of the Petition of Minnesota Power for Acquisition of ALLETE by Canada Pension Plan Investment Board and Global Infrastructure Partners*, Department Letter Accompanying Settlement Stipulation, Docket No. E-015/PA-24-198 (July 11, 2025).

next two years;” ii) a one-year rate case stay out that “will save customers approximately \$25 million during the next year”, and iii) the suggestion that the “settlement requires Minnesota Power to begin promptly refunding approximately \$75.4 million in existing land sale proceeds to customers.”³⁷ For the reasons discussed below, the Department risks misleading the Commission and the public by describing the settlement as producing ratepayer savings in this way.

First, we agree that a reduced ROE would immediately benefit ratepayers in the short term. We also have no reason to disagree with the Department’s calculation suggesting this change would save ratepayers \$5.5 million over two years. Though we agree this is a ratepayer benefit, the savings associated with it will be relatively small once this amount is distributed across Minnesota Power’s customer base. Also, Minnesota Power will likely seek an ROE increase in its next rate case.

Second, we disagree with the suggestion that the settlement, itself, will save ratepayers \$25 million by requiring Minnesota Power to wait another year to file a rate case. In arriving at this number, the Department points to interim rate increases in Minnesota Power’s last four rate cases, noting “[w]hile a one-year rate case stay-out’s exact value depends on the size of the utility’s claimed revenue deficiency and the final rates ultimately approved the Commission, experience suggests that the stay-out will be meaningful.”³⁸

Fig.1 – Interim Rate Increases cited by the Department

Rate Case Docket	Interim Rate Increase	Total Request
E-015/GR-16-664	\$34.6 million (5.6%)	\$55.1 million (9.1%) ³²
E-015/GR-19-442	\$36.1 million (5.8%)	\$65.9 million (10.6%) ³³
E-015/GR-21-335	\$87.3 million (14.23%) ³⁴	\$108.3 million (17.6%) ³⁵
E-015/GR-23-155	\$102.6 million (13.8%)	\$127.9 million (17.25%) ³⁶

These numbers offer valid estimates of the settlement’s costs savings only if Minnesota Power intends to file a rate case in November 2025 but will not do so solely because of the settlement. We are not aware of any evidence suggesting that Minnesota Power intends or is able to file a rate case that quickly—only one month after the Commission plans to hold a hearing deciding whether to approve the Acquisition and possibly even before the Commission would issue a written order memorializing that decision.³⁹ And, even if the proposed Settlement truly presents the only obstacle to Minnesota

³⁷ *Id.*

³⁸ *In the Matter of the Petition of Minnesota Power for Acquisition of ALLETE by Canada Pension Plan Investment Board and Global Infrastructure Partners*, Notice of Comment Period on the Proposed Settlement, Docket No. E-015/PA-24-198 (Aug. 4, 2025), p. 8 (“Department Initial Comments”).

³⁹ Though it has not been scheduled yet, it is our understanding the Commission intends to hold a two-day hearing in late September and/or early October.

Power filing a rate case this year, interim rates are temporary and subject to refund if Minnesota Power fails to meet its burden to prove the requested rate increase is just and reasonable. The interim rate increases in the table above, for example, do not account for the refunds owed to customers in each one of those cases.⁴⁰ All told, it is misleading to describe this aspect of the settlement as producing \$25 million in rate savings when it may not actually delay Minnesota Power's next rate increase.

Second, we are troubled by the suggestion that the settlement would save ratepayers over \$75 million by accelerating payments the Department acknowledges "were always owed to ratepayers."⁴¹ As we noted in our initial comments, in an order issued almost four years ago, the Commission authorized Minnesota Power to "defer all proceeds from the land sales into a regulatory liability that would be refunded (credited) to customers in either a future rate case or through the Renewable Resources Rider."⁴² The Department did not win these cost savings through its negotiations with the Petitioners in this case. A more accurate way to describe the value of this settlement term is as accelerating the fulfillment of a credit already owed to customers, not the creation of \$75 million in new rate *savings* derived from the settlement or the Acquisition.

For reasons expressed in our initial comments, we generally do not support the proposed findings the Department recommends in its initial comments. For the reasons discussed above, we particularly and strongly oppose the Department's recommendation that the Commission adopt its proposed finding 222a, which reads:

222a. The stipulation is sufficiently responsive to concerns raised by the Administrative Law Judge and Intervenors regarding ratepayer financial harm risks. The stipulation requires ALLETE to reduce its regulated ROE by 13 basis points for ratemaking purposes and waive its right to file a rate case until November 1, 2026. It also requires ALLETE to begin refunding \$74.5 million in prior landsale revenues to customers. These requirements, memorialized in the stipulation, will provide customers with sufficient financial benefits such that the acquisition is consistent with the public interest.

⁴⁰ See, e.g., *In the Matter of Application by Minnesota Power for Authority to Increase Rates for Electric Service in Minnesota*, Supplemental Filing, Docket No. E015/GR-23-155 (June 30, 2025); *In the Matter of the Application by Minnesota Power for Authority to Increase Rates for Electric Service in Minnesota*, Compliance Filing, Docket No. E015/GR-21-335 (Dec. 6, 2023); *In the Matter of the Application of Minnesota Power for Authority to Increase Rates for Electric Utility Service in Minnesota*, Compliance Filing, Docket No. E015/GR-19-442 (Nov. 2, 2020); *In the Matter of the Application of Minnesota Power for Authority to Increase Rates for Electric Utility Service in Minnesota*, Compliance Filing, Docket No. E015/GR-16-664 (June 10, 2019).

⁴¹ Department Initial Comments at 8, citing Stipulation ¶ 1.45.

⁴² *In the Matter of the Petition by Minnesota Power for Approval of Land Sales*, Order Allowing Land Sales and Establishing Conditions, Docket No. E-015/PA-20-265 (Nov. 18, 2021).

Again, it would be incorrect and misleading for the Commission to characterize the Acquisition as providing “customers with sufficient financial benefits” in this way.

C. Response to Labor Parties

i. LIUNA

LIUNA condescendingly ascribes to CUB a straw argument of LIUNA’s own invention that demonstrates an ongoing misunderstanding of CUB’s concerns.⁴³ Contrary to LIUNA’s suggestion, our concern is not that the Partners will newly seek to maximize profits while shareholders of publicly traded utility companies do not. Rather, our concern is that two large, sophisticated investors will both control ALLETE and be its only sources of equity capital. While all investors have an interest in earning a return on their investment, none of ALLETE’s current shareholders have the ability to unilaterally appoint multiple directors to ALLETE’s Board of Directors; none have consent rights over decisions affecting ALLETE/Minnesota Power; and none are one of only two sources of ALLETE’s equity capital. If the Acquisition is approved, the Partners’ control of the Company, combined with their need to recoup a 19-22% premium before earning any return on their investment, creates new risks not equally present in ALLETE’s current ownership and governance structure. For the Acquisition to be consistent with the public interest, those new risks must be outbalanced by new benefits created by the Acquisition. After overseeing the contested case process, reviewing the evidentiary record, listening to parties’ cross examination, reading parties’ legal briefs, and considering the Department’s Settlement, the ALJ properly found “the proposed governance structures fail to adequately balance the needs of owners, ratepayers, and the community, and pose the risk of outsized influence by the Partners on the decision-making authority of company management.”⁴⁴ LIUNA’s comments seek to distract from these arguments without meaningfully addressing them.

⁴³ *In the Matter of the Petition of Minnesota Power for Acquisition of ALLETE by Canada Pension Plan Investment Board and Global Infrastructure Partners*, LIUNA Initial Comments Docket No. E-015/PA-24-198 (Aug. 4, 2025), p. 8 FN 7 (“Watching sophisticated advocates such as OAG and CUB, who regularly inveigh against utility profit-seeking, treat the boards and shareholders of publicly-traded utilities as if they belonged to charitable foundations rather than for-profit businesses is a “through-the-looking-glass” experience. We trust, however, that their newfound appreciation for the wisdom, restraint and public-interest orientation of publicly-traded utilities is tactical and not permanent.”)

⁴⁴ ALJ Report at 261.

ii. *International Union of Operating Engineers Local 49 and the North Central States Regional Council of Carpenters*

The August 4, 2025 version of the initial comments of the International Union of Operating Engineers Local 49 and the North Central States Regional Council of Carpenters (the “Carpenters/49ers”) opens with this statement:

On behalf of the International Union of Operating Engineers Local 49 and the North Central States Regional Council of Carpenters, which represent over 25,000 members across Minnesota, we fully support the ALJ (Administrative Law Judge) report and its recommendations for the settlement regarding the acquisition of ALLETE by Canada Pension Plan Investment Board and Global Infrastructure Partners.⁴⁵

The fundamental errors reflected in this statement suggest the Carpenters/49ers did not review the ALJ Report at even a cursory level. These errors were quickly revised in a second, “corrected version” of the Carpenters/49ers’ initial comments filed on August 5th.⁴⁶ Instead of supporting the ALJ Report, the corrected version supports the proposed Settlement.⁴⁷ This revised comment was filed without explanation but seemingly after other parties noted the error. Indeed, the metadata of the “corrected version” pdf lists one of the Partners’ counsel as the document’s author.⁴⁸ To be clear, we understand and respect organized labor’s concern that their members retain access to quality, good-paying jobs, and that Minnesota Power has long been a good partner to these unions. At the same time, actions like this create the impression that the Carpenters/49ers’ support for the Acquisition and proposed Settlement may have been disproportionately influenced by the Partners, rather than be based on the Carpenters/49ers’ own robust assessment of the totality of record evidence.

⁴⁵ *In the Matter of the Petition of Minnesota Power for Acquisition of ALLETE by Canada Pension Plan Investment Board and Global Infrastructure Partners*, Initial Comments of North Central States Regional Council of Carpenters/IUOE Local 49, Docket No. E-015/PA-24-198 (Aug. 4, 2025) (“On behalf of the International Union of Operating Engineers Local 49 and the North Central States Regional Council of Carpenters, which represent over 25,000 members across Minnesota, we fully support the ALJ (Administrative Law Judge) report and its recommendations for the settlement regarding the acquisition of ALLETE by Canada Pension Plan Investment Board and Global Infrastructure Partners.”)

⁴⁶ *In the Matter of the Petition of Minnesota Power for Acquisition of ALLETE by Canada Pension Plan Investment Board and Global Infrastructure Partners*, CORRECTED Initial Comments of North Central States Regional Council of Carpenters/IUOE Local 49, Docket No. E-015/PA-24-198 (Aug. 5, 2025).

⁴⁷ *Id.*

⁴⁸ The metadata of a pdf can be accessed by clicking Ctl+D while in the downloaded document, or by accessing “document properties” in the dropdown menu at the top-left corner of the document.

D. Response to Fresh Energy, Clean Grid Alliance, Center for Energy and Environment, and Clean Energy Economy Minnesota

Fresh Energy, Clean Grid Alliance (“CGA”), Center for Energy and Environment (“CEE”), and Clean Energy Economy Minnesota (“CEEM”), filed 11th hour comments supporting approval of the Acquisition. It is our understanding that these parties were contacted by proponents of the Acquisition in late July—about two weeks before Exceptions to the ALJ Report and initial comments on the proposed Settlement were due. The comments are brief, minimally substantive, and repeat high-level talking points offered by proponents of the Acquisition. They are predicated on the assumption that the acquisition will improve Minnesota Power’s access to capital and, therefore, its ability to meet Minnesota’s Carbon Free Standard. CUB agrees with these organizations’ strong support for the Carbon Free Standard. We also do not dispute that the utility faces a need for substantial capital investment in the coming years. However, as discussed above, the record does not demonstrate that ALLETE currently lacks access to capital from the public markets nor that approving the Acquisition would improve that access. The record does show that the Acquisition is likely to generate harms to Minnesota Power ratepayers.

While we respect each entity’s right to share their opinion and recommendations, it is important that the Commission recognize these organizations have not meaningfully participated in this docket. To our knowledge, they did not: file comments on the Petition when it was first filed in July 2024; petition to intervene in the contested case; hire an expert to aid in their review; issue or respond to discovery; cross examine other parties’ witnesses (or witness others’ cross examination); participate in public hearings; prepare legal briefs; or otherwise grapple with the complex factual and legal arguments CUB and other parties have been grappling with for the past year. Likewise, none of the signatories to these organizations’ comments (and no one at all affiliated with CGA, CEE, or CEEM) are on the service list for this docket.⁴⁹ As such, these organizations clearly did not have time to meaningfully review—or even access⁵⁰—the full evidentiary record before filing their comments. General support for the Clean Energy Standard should not and must not dilute the importance of

⁴⁹ See the Service List attached to the Commission’s Notice of Schedule for Exceptions to the ALJ Report, issued July 18, 2025.

⁵⁰ As opposing parties and the ALJ have noted, a lot of the most compelling evidence is hidden from public view behind the Partners’ highly confidential trade secret designations. The protection of this information has been an ongoing issue in this case. For example, the Highly Confidential Protective Order generally permits only two individuals from each *party* to the contested case to have access to HCTS documents. It is unclear to us whether/how much access the Partners provided to these organizations before they filed comments—and, if such access was granted, whether or how these entities could have reviewed all of the HCTS documents added to the evidentiary record over this year-long proceeding.

diligently considering the evidence in this record and balancing the potential risks against the potential benefits of approving the Acquisition. The Commission should weigh the depth of these organizations' comments and support accordingly.

E. Response to the Office of the Attorney General

Like CUB, the OAG supports the ALJ report in full and recommends the Commission adopt it.⁵¹ However, the OAG takes exception to the ALJ Report lacking a ruling on an OAG motion to lift trade-secret designations in certain documents ALLETE provided to the Partners.⁵² Specifically, these documents include projections of Minnesota Power's revenue requirements over 2023-2032.⁵³ We agree with the arguments the OAG included in its prior motion and Exceptions to the ALJ Report as to why trade secret designations in these documents should be lifted. As the Department noted in a memorandum supporting the OAG's motion, there is "clearly a significant public interest" in understanding the rate increases on which the proposed Acquisition is premised.⁵⁴ And, as the OAG noted, withholding this information from public view "deprives the public of important context on a matter of great concern to Minnesota Power's ratepayers, northern Minnesota, and the state as a whole."⁵⁵ CUB supports the motion and the OAG's request that the Commission make a ruling on it.

II. Conclusion

ALLETE has not met its burden to prove the Acquisition is necessary or consistent with the public interest. On balance, the risks of potential harm arising from the Acquisition outweigh its potential benefits, and the proposed Settlement does not reset that balance. Therefore, the Commission should deny the Acquisition.

⁵¹ OAG Exceptions at 1.

⁵² *Id.* at 2.

⁵³ *Id.* at 4, citing Response to Sierra Club IR No. 26 and Response to OAG IR No. 42.

⁵⁴ *Id.* at 3-4, citing Department Memo at 2 (Mar. 25, 2025).

⁵⁵ *Id.* at 5.

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Respectfully submitted,

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