

PROPOSED MOTION
FILED ON BEHALF OF COMMISSIONER HAM
October 3, 2025

DOCKET NUMBER	E-015/PA-24-198
ANALYSTS	Robert Manning, Godwin Ubani
DATE/TIME SUBMITTED	10/02/2025, 3:00 PM
TITLE	Proposed Decision Options
ATTACHMENT	No
SUBJECT	In the Matter of the Petition of Minnesota Power for Acquisition of ALLETE by Canada Pension Plan Investment board and Global Infrastructure Partners

Commissioner Ham will move the following Decision Options:

Staff Alternative 5,
Staff Revised 13.A.
Staff Revised 15
Decision Options 17, 18, 19, and 20.

The enumerated Decision Options are included below:

DECISION OPTIONS

Approval or Denial of Proposed Transaction

Staff Alternative 5. Approve Minnesota Power's Petition subject to the terms of the July 11, 2025 Settlement Stipulation, as amended by the September 24, 2025 Addendum to Settlement Stipulation and the September 30, 2025 Second Addendum to Settlement Stipulation, except for the recommendations on Decision Options 13–20 regarding findings of fact.

Adoption or Rejection of ALJ Report

13. Adopt the ALJ Report to the extent it is consistent with the Commission's decisions. (OAG, CUB, CURE, LPI, Sierra Club)

Staff Revised 13.A. ~~Delegate authority to Direct~~ the Executive Secretary to modify the ALJ report as specified herein and to otherwise modify, reject, or add any findings or conclusions, including incorporating modifications proposed by Minnesota Power, the Partners, the Department, ECC, and LIUNA as needed to ensure the findings of the Commission are consistent with the Commission's decisions.

Modification of ALJ Report

Staff Revised 15. Adopt the modifications to ALJ Report Section III.C (findings 139–178) and new Section III.CC (findings 284–325), regarding Petitioners’ proposed commitments, as shown in Attachment B to the Petitioners’ August 4, 2025 Exceptions, to the extent consistent with the Commission’s decisions. Do not adopt Petitioners’ proposed findings 148A and 298 to the extent that they imply a predetermination that the forthcoming proposal to make the regulated utility a separate legal entity will be in the public interest. Do not adopt Petitioners’ proposed findings 152 and 152C related to interpretation of the affiliated interest statute. Reject ALJ findings 152, 274, and 275 regarding affiliated interest reporting.

17. Modify ALJ finding 155, regarding affordability program commitments, to clarify:

- A. That the CARE program commitment in the Settlement Stipulation will benefit the public interest compared to the status quo because the rate-recoverability of affordability programs alone does not guarantee that utilities will support raising surcharges to fund their expansion and because this commitment affords an opportunity to, potentially, establish a higher baseline level of investment in the CARE program in Docket No. E-015/M-11-409. (Staff interpretation of ECC, **Resolving Parties**)
- B. There is public benefit in having an infusion of funds into affordability programming that comes from shareholders and not from other ratepayers. (ECC, **Resolving Parties**)
- C. The total amount that petitioners estimate they will pay toward arrearage forgiveness does not adequately capture the magnitude of the value arrearage forgiveness would have for each customer receiving it, from the customer’s perspective. (Staff interpretation of ECC, **Resolving Parties**)

18. Reject the statement in ALJ Report Addendum A, ¶ 4, that “It is unclear whether [commenters in support of the Acquisition] felt obligated to support Minnesota Power due to the financial support they are provided by the Company.” (MP, Partners, **Resolving Parties**)

19. Adopt the following ALJ Report modifications as proposed in LIUNA’s August 4, 2025 exceptions: (Staff interpretations of LIUNA)

- A. Reject findings 73 and 74 regarding the Partners’ oil and gas holdings. (LIUNA, **Resolving Parties**)
- B. Reject finding 87 regarding Minnesota Power’s motivations for selecting the Partners. (LIUNA, **Resolving Parties**)

- C. Reject finding 117 regarding Federal Energy Regulatory Commission Chairman Christie's statements on the purchase of GIP by BlackRock. (LIUNA, **Resolving Parties**)
 - D. Modify finding 124 to add that the record does not show that the alternatives proposed by intervenors could adequately meet ALLETE's anticipated capital needs. Also find there is evidence that such measures would expose ratepayers and stakeholders to unacceptable risks while jeopardizing the utility's ability to meet legal requirements including the Carbon Free Standard. (LIUNA, **Resolving Parties**)
 - E. Modify finding 125 to state that the record does not establish the availability of cost-competitive, local power purchase agreements sufficient to adequately substitute for available capital to meet Minnesota Power's requirements in alignment with the values of the utility, stakeholders, and state policy goals. (Staff interpretation of LIUNA, **Resolving Parties**)
 - F. Modify finding 126 to add that demand response, energy-efficiency measures, and grid-enhancing technologies have already been incorporated into resource plans and that the record does not show there are opportunities for incremental advances sufficient to mitigate the utility's capital needs. (LIUNA, **Resolving Parties**)
 - G. Reject finding 129 regarding incentives to grow rate base. (LIUNA, **Resolving Parties**)
 - H. Modify findings 133 and 135 to find that access to capital at the scale ALLETE has forecasted it will need to meet the Carbon Free Standard would be high risk; therefore, it is unlikely the Company would be able to meet its capital needs through public markets without the Acquisition. (LIUNA, **Resolving Parties**)
 - I. Reject finding 186 regarding ALLETE's 2025–2039 resource plan. (LIUNA, **Resolving Parties**)
 - J. Modify findings 272–273 to state that the proposed governance structure balances the interests of GIP investors against the interests of CPP investors, which will reduce the risk of either partner engaging in improper affiliate transactions that could harm ALLETE for the benefit of outside interests. (LIUNA, **Resolving Parties**)
 - K. Reject finding 276 and find that the 2019 University of Chicago and Harvard Business School study cited by witness Baker found that the impacts of private equity ownership vary based on factors including characteristics of the operating company and economic circumstances. (LIUNA, IBEW, **Resolving Parties**)
20. Reject the ALJ's finding that there is credible evidence of potential labor risks arising from private equity acquisitions, including the possibility of layoffs or erosion of worker protections. (IBEW, LIUNA, **Resolving Parties**)