

Commissioner Tuma proposes the following decision option amendments:

4. Allow Minnesota Power for each lot occupied by a leaseholder to offer to sell the fee title of that the underlying lot for sale to the current leaseholders at a price of 2021 Estimated Market Value (EMV) established by the Board of Equalization on July 1, 2021 methodology plus four percent (4%) for the unimproved underlying lot or at the 2022 Estimated Market Value (EMV) established by the Board of Equalization on July 1, 2022 for the same, whichever is less. For those who agreed to sales prior to the issuance of the Board of Equalization determination for 2022 they would be entitled to a refund from MP if that price is less than the original offer. This price will be the price for all the offers during the special Early Sale Period.

a. Early Sale Period. Minnesota Power shall focus on making offers to all existing leaseholders by no later than December 31, 2024. If through no fault of the leaseholder Minnesota Power is unable to make an offer by this date and Minnesota Power plans on still making an offer within the next (12 months) year they must notify the leaseholder of the anticipated time the offer will be made and request verification that the leaseholder is still interested in receiving an offer. Leaseholder expressing interest are in no way obligated to accept any offer. In this case a leaseholder would still be entitled to an offer at the above Early Sales Period EMV amount.

b. The leaseholder will have one year from the date of the above Early Sale Period offers are made to accept and close the sale. ~~for a period of 6 months beginning when the lot is offered for sale, and the most current EMV thereafter.~~

c. Up front payment refund. For all leaseholders who accept offers during the above-mentioned Early Sale Period they are entitled to receive a refund of a proportional share of their upfront lease payments negotiated with Minnesota Power as proposed by the company capped at 2% of the EMV. Leaseholders are required to continue to pay a prorated portion of their lease rents through the

date of closing.

7. For an occupied lot that is not sold to its current leaseholder within the permitted Early Sale Period time frame, allow Minnesota Power to work with the leaseholder to arrange the sale of the underlying fee at the leaseholders request of his or her personal at any time during the remainder of the current lease and at the termination of the lease, with the sale of the personal property conditioned on the buyer also purchasing the lot from Minnesota Power at a price equal to the then-current Estimated Market Value established by the Board of Equalization on July 1 within one year prior to the offer. These later sales outside of the Early Sale Period are not entitled to a refund of their upfront payment unless extraordinary circumstances exist. This provision may only be used during the life of the lease through its final determination and cannot be used to delay enforcement of the post termination provisions of the lease which MP is expected to fully enforce if the below auction provisions are not agreed to.

8. ~~Direct~~ Allow MP to sell ~~the~~ any occupied lot at auction, as proposed by the Department, if a leaseholder does not purchase their lot and does not arrange the sale of their personal property by the end of his or her current lease or at any other termination date in accordance with the lease terms. This auction shall only occur with the consent of the leaseholder, agreement with the leaseholder on how to apportionment the sale and may only delay the termination provisions of the lease for up to one year from the lease existing termination date. MP is expected to fully enforce the existing termination provisions of the lease upon termination if this special auction provision is not agreed to between MP and the leaseholder.

10 (a). Allow Minnesota Power to accept an unsolicited offer for lots without leaseholds for sale at a price no less than 25 percent over EMV and may only be sold at less than this amount for offers above of at 4% above of the current EMV during the Early Sale Period at its discretion.

10 (b). In the annual compliance filing for 2025 MP shall make a proposal for the sale of the remaining unoccupied lots still considered surplus. the offer is over three months old.

19.B Require MP within 30 days of the order to provide a thorough description of their access road plan for the lease lots. This description should include a discussion of:

- i. how ratepayer interests are protected in any transfer of ownership or impairment of the underlying fee title; and
- ii. What will be the impacts, either positive or negative, to MP's operation and maintenance costs.

19.C. Require MP within 30 days of the order to provide a thorough description of leaseholder's "upfront payment to the Company for the right to lease their lot" provisions. This description should include:

- i. The process for calculating these upfront payments for any particularly slot;
- ii. When does the Company collect the upfront payments;
- iii. Was there a separate contract other than lease signed by leaseholders at the time of the upfront payment and if so what is that relationship to the lease; and
- iv. provide a specific amounts paid for upfront payments for each of the lots that would be eligible for the Early Sales Period and what percentage it is all that lots EMV.

21. The executive Secretary shall appoint a licensed and experienced Real Estate Liaison who will oversee the sales on behalf of the public interest and the ratepayers. This individual should have expertise in real estate law. All offers must be approved by this liaison as in compliance with the terms of the order. MP shall pay the cost of the liaison, but is not entitled to any recovery of those costs from ratepayers.

22. Prior to any offers being issued under this program MP must hold public meetings for leaseholders detailing the sales program. The meetings shall include the Commission appointed Real Estate Liaison for the purpose of observation to make sure MP is accurately relaying the Commission's order. The Liaison would report back to the Commission through the Executive Secretary within 7 days after such public meetings.