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January 22, 2016

VIA ELECTRONIC FILING

Mr. Daniel P. Wolf, Executive Secretary
MN Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101-2147

RE: Minnesota Power's Petition for Approval of Credit to Customers
Docket No: E015/M-15-875

Dear Mr. Wolf:

Attached for filing with the Minnesota Public Utilities Commission is Minnesota Power's Additional Reply Comments (Public Version).

Yours truly,

Christopher D. Anderson

Attachment

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

AFFIDAVIT OF SERVICE VIA
ELECTRONIC FILING

Jodi Nash, of the City of Duluth, County of St. Louis, State of Minnesota, says that on the 22nd day of January, 2016, she served Minnesota Power's Additional Reply Comments in Docket No. E015/M-15-875 on the Minnesota Public Utilities Commission via electronic filing. The remaining parties on the attached service list were served as requested.



Jodi Nash

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	GEN_SL_Minnesota Power_Minnesota Power General Service List
Christopher	Anderson	canderson@allete.com	Minnesota Power	30 W Superior St Duluth, MN 558022191	Electronic Service	Yes	GEN_SL_Minnesota Power_Minnesota Power General Service List
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 500 Saint Paul, MN 551012198	Electronic Service	Yes	GEN_SL_Minnesota Power_Minnesota Power General Service List
Margaret	Hodnik	mhodnik@mnpower.com	Minnesota Power	30 West Superior Street Duluth, MN 55802	Electronic Service	No	GEN_SL_Minnesota Power_Minnesota Power General Service List
Lori	Hoyum	lhoyum@mnpower.com	Minnesota Power	30 West Superior Street Duluth, MN 55802	Electronic Service	No	GEN_SL_Minnesota Power_Minnesota Power General Service List
Michael	Krikava	mkrikava@briggs.com	Briggs And Morgan, P.A.	2200 IDS Center 80 S 8th St Minneapolis, MN 55402	Electronic Service	No	GEN_SL_Minnesota Power_Minnesota Power General Service List
James D.	Larson	james.larson@avantenergy.com	Avant Energy Services	220 S 6th St Ste 1300 Minneapolis, MN 55402	Electronic Service	No	GEN_SL_Minnesota Power_Minnesota Power General Service List
Douglas	Larson	dlarson@dakotaelectric.com	Dakota Electric Association	4300 220th St W Farmington, MN 55024	Electronic Service	No	GEN_SL_Minnesota Power_Minnesota Power General Service List
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	GEN_SL_Minnesota Power_Minnesota Power General Service List
Susan	Ludwig	sludwig@mnpower.com	Minnesota Power	30 West Superior Street Duluth, MN 55802	Electronic Service	No	GEN_SL_Minnesota Power_Minnesota Power General Service List
Pam	Marshall	pam@energycents.org	Energy CENTS Coalition	823 7th St E St. Paul, MN 55106	Electronic Service	No	GEN_SL_Minnesota Power_Minnesota Power General Service List

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Herbert	Minke	hminke@allete.com	Minnesota Power	30 W Superior St Duluth, MN 55802	Electronic Service	No	GEN_SL_Minnesota Power_Minnesota Power General Service List
David	Moeller	dmoeller@allete.com	Minnesota Power	30 W Superior St Duluth, MN 558022093	Electronic Service	Yes	GEN_SL_Minnesota Power_Minnesota Power General Service List
Andrew	Moratzka	apmoratzka@stoel.com	Stoel Rives LLP	33 South Sixth Street Suite 4200 Minneapolis, MN 55402	Electronic Service	No	GEN_SL_Minnesota Power_Minnesota Power General Service List
Jennifer	Peterson	jjpeterson@mnpower.com	Minnesota Power	30 West Superior Street Duluth, MN 55802	Electronic Service	No	GEN_SL_Minnesota Power_Minnesota Power General Service List
Susan	Romans	sromans@allete.com	Minnesota Power	30 West Superior Street Legal Dept Duluth, MN 55802	Electronic Service	No	GEN_SL_Minnesota Power_Minnesota Power General Service List
Thomas	Scharff	thomas.scharff@newpagecorp.com	New Page Corporation	P.O. Box 8050 610 High Street Wisconsin Rapids, WI 544958050	Electronic Service	No	GEN_SL_Minnesota Power_Minnesota Power General Service List
Ron	Spangler, Jr.	rlspangler@otpc.com	Otter Tail Power Company	215 So. Cascade St. PO Box 496 Fergus Falls, MN 565380496	Electronic Service	No	GEN_SL_Minnesota Power_Minnesota Power General Service List
Eric	Swanson	eswanson@winthrop.com	Winthrop Weinstine	225 S 6th St Ste 3500 Capella Tower Minneapolis, MN 554024629	Electronic Service	No	GEN_SL_Minnesota Power_Minnesota Power General Service List
Karen	Turnboom	karen.turnboom@newpagecorp.com	NewPage Corporation	100 Central Avenue Duluth, MN 55807	Electronic Service	No	GEN_SL_Minnesota Power_Minnesota Power General Service List
Daniel P	Wolf	dan.wolf@state.mn.us	Public Utilities Commission	121 7th Place East Suite 350 St. Paul, MN 551012147	Electronic Service	No	GEN_SL_Minnesota Power_Minnesota Power General Service List

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

In the Matter of Minnesota Power's
Petition for Approval of Credit
to Customers

Docket No. E-015/M-15-875

**MINNESOTA POWER'S
ADDITIONAL REPLY
COMMENTS**

Minnesota Power supplies the following information in response to the Department of Commerce Reply Comments in the above-referenced Docket.

1) Did Minnesota Power provide in Reply Comments a narrative and documentation showing that the amount received in the [TRADE SECRET DATA EXCISED] is reasonable or at a minimum documentation identifying the amount received and when it was received? (Department Issue A)

In its Reply Comments, the Department reiterated its concerns about reasonableness of the amount received and the documentation supporting receipt of the [TRADE SECRET DATA EXCISED] amount.

As noted in the Petition, the amount was received in April 2015. Minnesota Power has no other way to "prove" receipt other than the public, verified statement contained in the Petition.

As to reasonableness of the [TRADE SECRET DATA EXCISED] amount, all Minnesota Power can provide in response is that this is a [TRADE SECRET DATA EXCISED] between two contracting parties over a contract the Commission has no direct jurisdiction over. [TRADE SECRET DATA EXCISED]. The issue of this Docket should really center on how the [TRADE SECRET DATA EXCISED] should be distributed to the customers affected by the [TRADE SECRET DATA EXCISED].

[TRADE SECRET DATA EXCISED].

2) Did Minnesota Power oppose Department Method 1 (FCA Method) or Method 2 (Direct Credit to Affected Customers) and, if so, did Minnesota Power fully discuss and justify its opposition in Reply Comments, including why any identified issues with Method 1 cannot be alleviated? (Department Issue E)

While MP did not state any opposition to the Department methodologies, MP does, in fact, very strongly oppose allocating the credit through the FCA. (Our compromise proposal was meant to rebut the Department alternative; we continue to believe our original refund methodology is the best alternative.) While all customers are operating differently now than they were during the time period in question; this is especially true for MP's largest customers. The Department's methodology of flowing the credit through the FCA would have a negative impact on the amount of the credit to the customers that were affected the most. Minnesota Power's proposed method looks back to tie the refund to how customers were operating at the time -- to match and supply the received credit to those customers operating at the time.

As an example, US Steel's portion of the credit would be reduced from **TRADE SECRET DATA EXCISED** as calculated under MP's proposed methodology to approximately **TRADE SECRET DATA EXCISED**. On the other hand, the average residential customer with usage of 750 kWh would have their credit change from approximately **TRADE SECRET DATA EXCISED** as calculated under MP's proposed methodology to approximately **TRADE SECRET DATA EXCISED**. The overall negative impact to the Large Power customers, who were most affected by the [**TRADE SECRET DATA EXCISED**], of the FCA allocation methodology far outweighs the small benefit the residential customers would see. For this reason, MP does indeed oppose flowing the credit through the FCA and maintains that their proposed methodology provides a balanced and fair allocation of the credit to the affected customers.

Dated: January 22, 2016

Respectfully submitted,



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Teena S. Kilian
Asst. General Attorney

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Via Email

December 3, 2015

Ms. Violet Struss
ALLETE, Inc.
30 W. Superior Street
Duluth, MN 55802
vstruss@allete.com

RE: Utility Information Request Docket No. E015/M-15-875

Dear Ms. Struss:

Thank you for forwarding to me a copy of the Minnesota Department of Commerce's Utility Information Request Docket No. E015/M-15-875 dated October 12, 2015 (the "Information Request"), requesting a copy of the "Settlement Agreement" that provides the [TRADE SECRET DATA EXCISED] between Minnesota Power and BNSF.

As you know, our Rail Transportation Agreement BNSF-C-12666 (the "Agreement") is confidential in nature and contains specific business terms, including the terms of our [TRADE SECRET DATA EXCISED]. To protect the confidentiality of the Agreement, BNSF does not consent to Minnesota Power disclosing the terms of the Agreement or providing a copy of the Agreement in response to the Information Request. Please give me a call if you would like to further discuss this matter.

Sincerely,

A handwritten signature in blue ink that reads "Teena S. Kilian".

Teena S. Kilian