



AN ALLETE COMPANY

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February 18, 2026

**VIA E-FILING**

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

**Re:** In the Matter of the Petition of Minnesota Power for  
Approval of Modifications to its Large Power Tariff  
Docket No. E015/M-26-\_\_\_\_  
**Petition**

Dear Ms. Bergman:

In response to the Minnesota Public Utilities Commission (“Commission”) requirement to approve the definition and appropriate characteristics of a very large customer class or subclass for each public utility providing electric service under Minn. Stat. § 216B.1622, Subd. 1, Minnesota Power hereby submits this Petition for Approval of its proposal to accommodate very large customers within its existing Large Power (“LP”) Customer Class and Service Tariff.

Please contact me at [jkuklenski@mnpower.com](mailto:jkuklenski@mnpower.com) or (218) 355-3295 with questions related to this filing.

Respectfully,

A handwritten signature in black ink that reads 'Jennifer Kuklenski'.

Jennifer Kuklenski  
*Manager – Regulatory Strategy and Policy*

JK:ah  
Attach.

I AM  
**ZERO INJURY.**

*Together we choose to work safely for our families, each other, and the public.  
We commit to be injury-free through continuous learning and improvement.*

## **SUMMARY OF FILING**

Minnesota Power submits to the Minnesota Public Utilities Commission (“Commission”) this Petition for approval for a proposed approach to include very large customers in its current Large Power Customer Class and Service Tariff. The approach has been developed to meet the standards under Minn. Stat. § 216B.1622, Subd. 1: Service to Very Large Customers. The Company submits this Petition in compliance with the Commission’s request to file such a petition in early 2026.

## PROCEDURAL MATTERS

Pursuant to Minn. Stat. § 216B.16, subd. 1 and Minn. Rule 7829.1300, Minnesota Power provides the following required filing information.

### Summary of Filing (Minn. Rule 7829.1300, subp.1)

A one-paragraph summary accompanies this Petition.

### Service on Other Parties (Minn. Rule 7829.1300, subp. 2)

Pursuant to Minn. Stat. § 216.17, subd. 3 and Minn. Rule 7829.1300, subp. 2, Minnesota Power eFiles the Petition on the Department of Commerce - Division of Energy Resources ("the Department") and the Minnesota Office of the Attorney General - Antitrust and Utilities Division. A summary of the filing prepared in accordance with Minn. Rule 7829.1300, subp. 1 is being served on Minnesota Power's general service list.

### Name, Address and Telephone Number of Utility (Minn. Rule 7829.1300, subp. 4(A))

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

### Name, Address and Telephone Number of Utility Attorney (Minn. Rule 7829.1300, subp. 4(B))

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

### Date of Filing and Date Proposed Rate Takes Effect (Minn. Rule 7829.1300, subp. 4(C))

This Petition is being filed on February 18, 2026. The effective date is the date of the Commission's Order or such other date as directed in the Commission's Order. The Petition will not result in any rate changes.

### Statute Controlling Schedule for Processing the Filing (Minn. Rule 7829.1300, subp. 4(D))

There is no specific statutorily prescribed timeframe for processing this filing. Accordingly, this filing is controlled by the Commission's rules on Miscellaneous Filings, Minn. R. 7829.1300 and 7829.1400.

Utility Employee Responsible for Filing (Minn. Rule 7829.1300, subp. 4(E))

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Service List (Minn. Rule 7829.0700)

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Minnesota Power's Discovery Manager  
[discoverymanager@mnpower.com](mailto:discoverymanager@mnpower.com)

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

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In the Matter of the Petition  
of Minnesota Power for  
Approval of its Very Large  
Customer Class Proposal

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Docket No. E015/M-26-\_\_\_\_  
**PETITION**

**I. INTRODUCTION**

Minnesota Power (or, the “Company”) respectfully submits this Petition to the Minnesota Public Utilities Commission (“Commission”) seeking approval of its proposal to accommodate very large power customers within its existing Large Power (“LP”) Customer Class and Large Power Service Schedule (or, “LP Tariff”), which is included with this petition as Attachment A. The Company submits this Petition in response to the Commission’s requirement under Minn. Stat. § 216B.1622, Subd. 1:

*By December 15, 2026, the commission shall establish by order the definition and appropriate characteristics of a very large customer class or subclass for each public utility providing electric service.*

The Company’s current LP class is uniquely structured to accommodate the needs and characteristics of very large customers, while ensuring compliance with statutory requirements and protecting the interests of all customers. Minnesota Power has one of the highest industrial customer concentrations of any utility in the United States, and this concentration is significantly higher than any other utility in Minnesota. Just two companies – Cleveland-Cliffs, Inc. (“Cleveland-Cliffs”) and United States Steel Corporation (“U.S. Steel”) – own and operate all six taconite mining facilities in northern Minnesota, which accounted for over 50 percent of Minnesota Power retail kilowatt-hour (“kWh”) energy sales in 2024. Approximately two-thirds of Minnesota Power sales are attributed to just four industrial entities, U.S. Steel, Cleveland-Cliffs, UPM Blandin, and Enbridge.

The Company’s longstanding experience serving large industrial customers provides Minnesota Power with a strong and unique foundation for serving new customers with significant and complex energy needs. As a result, the Company is confident that its

existing LP Tariff are well-suited to accommodate new very large customers while upholding cost causation principles and includes mechanisms to help ensure that other customers are not adversely affected.

## II. BACKGROUND

On June 14, 2025, legislation<sup>1</sup> was signed into law aimed at positioning Minnesota as a more competitive destination for large-scale customers through targeted changes to the state's tax and energy regulatory framework. The legislation includes provisions affecting electric utility regulation and rate design for very large customers. Specifically, the law requires the Commission to evaluate how best to achieve appropriate outcomes for proposed tariffs applicable to these customers. In doing so, the Commission must consider issues such as cost assignment, alignment with the state's electricity and clean energy standards, and customer protections.

Minnesota Power has reviewed the newly enacted statutory requirements governing tariffs for very large customers and interprets the statute as having several important implications for future Commission action. Specifically, the Commission must determine how to implement these requirements through utility tariff design and approval to ensure the following outcomes:

1. **Cost Allocation:** All costs attributable to very large customers that are not exempt under Minn. Stat. § 216B.1622, Subd. 3 are fully and appropriately assigned to the very large customer class or subclass established by the Commission.
2. **Compliance with State Electricity Standards:** Electricity provided by the utility to a very large customer satisfies each applicable quantitative benchmark under the state's electricity standards set forth in Minn. Stat. § 216B.1691. Compliance must be demonstrated through a utility-submitted plan that serves the additional load without reliance on a request for delay or modification of these standards.

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<sup>1</sup> Minn. Stat. § 216B.1622, Subds. 1-3

3. **Protection Against Stranded Costs:** The applicable tariff or service agreement includes sufficient protections to ensure that the utility's other customers are not exposed to financial risk or responsibility for stranded costs associated with serving a very large customer.
4. **Public Interest Considerations:** Any additional outcomes the Commission determines are necessary to ensure that the tariff or service agreement is consistent with the public interest.

Minnesota Power currently has eight customers under Commission-approved Electric Service Agreements ("ESA") served under its existing LP Customer Tariff, which represent over 600 megawatts ("MW") of demand. Minnesota Power's existing LP Customer Tariff, which has been used by LP Customers equivalent to the 10 megawatt or greater, is sufficiently flexible to meet the requirements of the law.

### **III. MINNESOTA POWER'S EXISTING LARGE POWER CUSTOMER CLASS**

Minnesota Power's LP customer class is intentionally designed to serve customers with large and continuous energy needs, typically operating at transmission voltage levels and requiring significant energy and capacity resources. Minnesota Power's current LP Tariff is structured to accommodate very large customers, which includes a mechanism intended to protect both the Company and other customers from potential cost shifts associated with serving customers with very high electricity demand. Minnesota Power believes it is appropriate to retain this proven framework, while also recognizing that some modernization may be necessary if a new very large customer were to locate in Minnesota Power's service territory. Additionally, any customer-specific issues or operational details not explicitly addressed in the LP Tariff will be addressed through the terms and conditions of individual ESAs.

Large industrial customers, with identified new load growth of 10 or more MW would enter into a negotiated ESA with the Company. Each ESA is tailored to the specific customer and defines the full scope of commitments, including minimum billing requirements, service obligations, and other operational and financial terms. Additionally, each ESA is subject to the applicable regulatory review process and requires approval by the Commission.

Minnesota Power places significant value on the time, resources, and diligence involved in developing an ESA with prospective customers and recognizes that potential very large load customers are not, and should not be, exempt from this established process. While recent legislation appropriately emphasizes the importance of incorporating certain requirements, the Company believes these provisions should also be reflected, and addressed in greater detail, within the ESA itself. Doing so ensures transparency, regulatory certainty, and a comprehensive framework that appropriately allocates risks and responsibilities between the Company and the customer.

Minnesota Power's existing planning and interconnection processes also provide substantial protections for customers. Customers seeking to connect directly to the transmission system are required to follow an open-access transmission interconnection process that starts with a System Impact Study and continues through several additional steps of increasing customer commitment to ultimately execute an Interconnection Agreement ("IA"). At every step in this process, the transmission-connected customer is required to cover the cost of interconnection studies as well as any interconnection and network upgrade facility costs identified through the process as necessary to serve their load. This process ensures that any transmission investments necessary to serve new very large customers are not socialized across customers. In addition, there are no distribution system costs associated with transmission-connected customers, further limiting the potential for cost shifts. These established processes have been effective in protecting other Minnesota Power customers from transmission-related costs, attributable to large load additions the Company has experienced in the past.

The Company further intends for any new customer taking service under the Company's existing LP Service rate schedule to be billed in accordance with the same tariff structure,

methodology, and billing components applicable to all existing customers served under that schedule. The Company does not propose any changes to the underlying framework of the LP Service schedule as part of this filing.

Under the LP Service schedule, all customers are billed based on existing base rates and all applicable riders and adjustments as approved by the Commission. In addition to these charges, each new customer, as defined in this filing, will also be subject to the billing provisions contained within its Commission-approved ESA. As described above, ESAs for large customers typically include customer-specific provisions related to minimum and contract demand levels, service conditions, security and billing requirements, and revenue assurances necessary to mitigate stranded-cost risk. In addition, new very large customers are obligated to an initial term of at least 10 years, with multi-year termination notices required. These ESA components operate in conjunction with the LP Service schedule and are incorporated into the customer's overall billing structure. This approach ensures that:

1. all similarly situated customers are billed consistently under the LP Service schedule;
2. customer-specific commitments made through the ESA are reflected in the billing structure; and
3. costs are recovered consistent with the Company's existing very large customers.

Minnesota Power is confident that this framework provides a standard, consistent billing and service structure for all very large customers.

#### **IV. CONCLUSION**

Minnesota Power's longstanding experience has demonstrated that serving very large customers provides both public interest and system benefits for customers. The unique high load factor and continuous usage patterns of very large customers allow Minnesota Power to achieve exceptional system efficiency by distributing fixed costs over a wider sales base, potentially resulting in lower average rates for all customers. Additionally, very

large customers have an opportunity to provide significant demand response within Minnesota Power's tariff offerings, which enhances system reliability and supports grid stability for all customers during periods of high energy demand. For instance, Minnesota Power's existing LP customers provide demand response capabilities of approximately 15 percent of peak load, which has allowed the Company to forgo other investments in power supply to meet peak demand.

Minnesota Power has a long-standing record of reliably serving this unique customer base, including some of the nation's largest industrial customers, and the Company is confident that its existing LP customer class – leveraging the existing LP Tariff for very large customers – appropriately aligns with the policy objectives of Minn. Stat. § 216B.1622. Utilizing the Company's existing customer class for very large customers preserves customer equity, regulatory stability, and operational consistency while allowing Minnesota Power to continue meeting evolving customer needs.

As outlined above, Minnesota Power is not seeking any immediate changes to the LP Tariff with this filing. Rather, the Company is requesting the Commission's approval to continue applying its existing LP customer class to potential new very large customers. The Company recognizes that the energy landscape is evolving quickly and if it is determined that changes to the LP Tariff are needed to accommodate new very large customers, the Company would propose those changes separately for Commission evaluation with its first very large customer ESA filed under the LP Tariff or in the Company's next general rate case, whichever occurs first.

Minnesota Power appreciates the Commission's consideration of its proposal and looks forward to engagement with interested parties. Please contact me at [jkuklenski@mnpower.com](mailto:jkuklenski@mnpower.com) or (218) 355-3295 with questions related to this filing.

Dated: February 18, 2026

Respectfully submitted,

A handwritten signature in black ink that reads "Jennifer Kuklenski". The signature is written in a cursive style and is positioned above a thin horizontal line.

Jennifer Kuklenski  
*Regulatory Strategy and Policy Manager*  
Minnesota Power  
30 W Superior Street  
Duluth, MN 55802

Attachment A:

The Large Power Service Schedule (“LP Tariff”)

**LARGE POWER SERVICE**

**RATE CODES**

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**APPLICATION**

The Large Power Service Schedule (“LP Schedule”) applies to electric service delivered from existing Company facilities of adequate type and capacity, where Customer and Company have executed an Electric Service Agreement (“ESA”) agreeing to the purchase and sale of Large Power Service and supplementing the terms and conditions of Large Power Service set forth in this LP Schedule.

Service under this LP Schedule is also subject to Company’s Electric Service Regulations as well as all riders and other tariffs applicable to Large Power Service.

Customer shall not be entitled to purchase any service from the Company under this LP Schedule for purposes of resale to any other entity or to the Company.

**ELECTRIC SERVICE AGREEMENTS**

Every ESA and every amendment or modification of an ESA must be approved by the Minnesota Public Utilities Commission (“Commission”) as a supplemental addition to this LP Schedule.

At a minimum, every ESA shall include the following:

- (a) The connection point(s) of Company’s and Customer’s equipment at which Customer takes service (“Points of Delivery”);
- (b) The voltage level(s) at which service will be supplied;
- (c) A method for determining Firm Demand (as defined below) in each month of the term of the ESA;
- (d) An Incremental Production Service Threshold as defined in the Rider for Large Power Incremental Production Service, as applicable;
- (e) A confidentiality agreement; and
- (f) Any terms or conditions that differ from or are additional to the terms and conditions specified in this LP Schedule or in any rider or tariff applicable to Large Power Service.

Unless otherwise specifically approved by the Commission, each ESA shall have an initial minimum term of ten (10) years and shall continue in force until either party gives the other

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**Approved by:** Leah N. Peterson  
**Leah N. Peterson**  
**Director – Customer Analytics and Market Settlements**

**LARGE POWER SERVICE**

party written notice of cancellation at least four years prior to the time such cancellation shall be effective.

The effective date of each ESA shall be subject to approval by the Commission.

No Commission approval of any ESA shall act to prevent the Commission from later increasing or decreasing any of the rates or charges contained in this LP Schedule, any Rider or any other tariff applicable to Large Power Service. Nor shall any Commission approval of any ESA exempt any Customer from the applicability of any such increased or decreased charges.

An ESA shall be binding upon the Company and the Customer and their successors and assigns, on and after the effective date of the ESA; provided, however, that neither party may assign that ESA or any rights or obligations under the ESA without the prior written consent of the other party, which consent shall not unreasonably be withheld.

Inasmuch as all ESAs will contain confidential information with respect to Customer electric usage levels and other proprietary information of both the Customer and the Company ("Confidential Information"), all ESAs are to be marked as trade secret in their entirety for purposes of the Minnesota Government Data Practices Act. For this purpose, Confidential Information includes all disclosures, information and materials, whether oral, written, electronic or otherwise, relating to the business of either the Customer or the Company, that is not generally available to the trade or the public. The ESA may specifically expand this definition to ensure Customer-specific and/or Company-specific protections are in place. Because use and disclosure of Confidential Information requires a written agreement, the Company and the Customer will agree to such use and disclosure in each ESA.

For purposes of ESAs capitalized terms used in this LP Schedule shall have the same meaning as capitalized terms in the ESA.

For purposes of ESAs, the term "Holidays" shall mean New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving, Christmas Eve Day, Christmas Day, and New Year's Eve Day.

For purposes of ESAs, the term "Office" shall mean the Minnesota Office of Energy Security or its successor organization.

**TYPE OF SERVICE**

Unless otherwise agreed in an ESA, Large Power Service shall be three phase, 60 hertz, at Company's available transmission voltage of at least 115,000 volts. Customer may specifically request to take all or any portion of its Large Power Service at Company's

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**LARGE POWER SERVICE**

available high voltage of 13,000 through 69,000 volts, and such lower voltage deliveries may be subject to a Service Voltage Adjustment as described below.

**BASE RATES (MONTHLY)**

The following charges (as modified by the Adjustments described below) shall apply to all service under this LP Schedule and the ESAs (collectively, the "Base Rates"):

**Demand Charge**

A single application for the first 10,000 kW or less of Firm Demand \$244,334

All additional kW of Firm Demand (\$/kW) \$24.00

**Transmission Demand Charge**

All kW of Firm Demand (\$/kW) \$8.49

**Energy Charge**

All Firm Energy kWh (¢/kWh) (All On-Peak and Off-Peak) 1.164¢

**Excess Energy Charge**

All kWh of Excess Energy shall be billed at 110% of the Company's Incremental Energy Cost as described more fully in paragraphs 2 and 3 under "ENERGY."

**ADJUSTMENTS**

Company may modify Base Rates by the following adjustments:

1. Service Voltage Adjustment. Unless otherwise agreed in the ESA, where service delivery voltage is at Company's available high voltage of 13,000 through 69,000 volts, Company will increase the Demand Charge by \$1.75 per kW of Firm Demand for that portion of Firm Demand taken at 13,000 through 69,000 volts.
2. Fuel and Purchased Energy Adjustment. A fuel and purchased energy adjustment will be determined in accordance with the Rider for Fuel and Purchased Energy Charge.
3. Capacity Revenue and Expense Adjustment. A capacity revenue and expense adjustment will be determined in accordance with the Rider for Capacity Revenue and Expense Adjustment.
4. Conservation Adjustment. Adjustment will be determined in accordance with the Rider for Conservation Program Adjustment.

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**LARGE POWER SERVICE**

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5. Transmission Adjustment. A transmission investment adjustment will be determined in accordance with the Rider for Transmission Cost Recovery.
6. Renewable Resource Adjustment. A renewable resources adjustment will be determined in accordance with the Rider for Renewable Resources.
7. CARE Low-Income Affordability Program Surcharge. There shall be added to the monthly bill, as computed above, a Low-Income Affordability Program Surcharge determined in accordance with the Rider for Customer Affordability of Residential Electricity (CARE).
8. Solar Energy Adjustment. There shall be added to or deducted from the monthly billing, as computed above, a solar energy adjustment determined in accordance with the Rider for Solar Energy Adjustment.
9. Minnesota Policy Adjustment. The combination of Conservation, Transmission, Renewable Resource, and Solar Energy Adjustments may be shown on Customer's bills as the Minnesota Policy Adjustment.
10. Taxes and Assessments. An adjustment for the applicable proportionate part of any taxes and assessments imposed by any governmental authority which are assessed on the basis of meters or customers, or the price of or revenues from electric energy or service sold, or the volume of energy generated, transmitted or purchased for sale or sold.
11. Franchise Fee. An adjustment for customers located within the corporate limits of the applicable city as specified in the applicable Rider for the city's Franchise Fee.

**MEASURED AND ADJUSTED DEMAND**

The measured demand ("Measured Demand") in the month shall be the sum of kW measured from all of the Points of Delivery specified in the ESA during the 15-minute period of Customer's greatest use during the month.

The adjusted demand ("Adjusted Demand") in the month shall be the Measured Demand increased by one kilowatt for each 20 kvar of excess reactive demand. Excess reactive demand means the amount by which the maximum 15-minute measured kvar during the month exceeds 50% of the first 20,000 kW of Measured Demand plus 25% of all additional kW of Measured Demand.

This provision shall supersede all references to Metered Demand, Measured Demand, and Adjusted Demand in the Customers' ESAs.

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**DEMAND**

1. Firm Demand. The Customer's ESA specifies the amount of Firm Demand in any billing month. In general, the Firm Demand will be based on amount specified, selected, nominated, determined or agreed upon in the Customer's ESA. Regardless of how the ESA describes or calculates the Customer's contractual demand in any billing month for purposes of applying the Demand Charge, this amount shall be deemed to be the Customer's Firm Demand for purposes of this LP Schedule and the application of the Demand Charge.
2. Demands in Excess of Firm Demand. Company will endeavor to serve Customer requirements for power in excess of Firm Demand, but Company has no responsibility or liability whatsoever for failing to provide any power in excess of Firm Demand.

**DEMAND NOMINATIONS**

1. Demand Nomination increases. For all Customers who notify the Company periodically throughout the year per the terms of their respective ESAs, need to be made by the last business day excluding weekends and Holidays prior to the nominating deadlines specified in the Customers' ESAs. This provision shall supersede all references to all language in Customers' ESAs relating to nomination notice deadlines.

**ENERGY**

1. Firm Energy. Firm Energy shall mean the total electric consumption of the Customer measured in kilowatt-hours ("kWh") in each hour of the billing month, regardless of whether it is taken during peak or off peak hours, but limited to no more than the Customer's Firm Demand in any hour. In general, the amount of Firm Energy billed in each hour of the billing month will be equal to the amount of Firm Demand in that month unless modified by terms in the Customer's ESA.
2. Excess Energy. Excess Energy shall be the kWh of energy taken by Customer in each hour of the month in excess of the allowable Firm Energy levels specified in the Customer's ESA in that hour, unless the Customer takes such energy under the Rider for Large Power Incremental Production Service or another Rider applicable to Large Power Service and available to the Customer pursuant to its ESA.
3. Excess Energy shall be billed at 110% of the Company's Incremental Energy Cost in month. Company's Incremental Energy Cost shall be determined each hour of the month and shall include fuel costs and variable operation and maintenance expenses for generating or purchasing the excess energy. Company's Incremental Energy Cost will be the highest cost energy after assigning lower cost energy to: all firm retail and wholesale

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**LARGE POWER SERVICE**

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customer requirements; all intersystem (pool) sales that involve capacity on a firm or participation basis; and all interruptible sales to Large Power, Large Light and Power, and General Service customers; but not including sales for Incremental Production Service.

**PAYMENT**

All bills for Large Power Service are due and payable at any office of Minnesota Power 15 days following the date the Company renders the bill or such later date as may be specified on the bill unless the Customer is subject to the Rider for Expedited Billing Procedures—Large Power Class or Customer specifically agrees to be subject to the Rider for Expedited Billing Procedures—Large Power Class in the ESA. Payments must be received by Minnesota Power on or before such due date and shall not be considered as payment received until the funds are usable or collectible by Minnesota Power. If Company does not receive payment on or before the due date printed on the bill, the bill shall be past due and delinquent.

**LARGE POWER SURCHARGE**

For new customers with Firm Demand in excess of 50,000 kW in any twenty-four month period, or for existing customers with increases in Firm Demand of more than 50,000 kW in any twenty-four month period, the additional Firm Demand in excess of 50,000 kW will be subject to a Large Power Surcharge. The Company will assess the Large Power Surcharge for a period of five years from the date the Customer executes a binding Commitment Agreement to take the power. The Large Power Surcharge will cover the additional cost to Company of obtaining the necessary power supply. The Large Power Surcharge shall be the sum of a Capacity Portion and Energy Portion as described below. If the sum is negative then the Large Power Surcharge shall be zero.

**Capacity Portion**

For each kW of Firm Demand subject to surcharge Company shall add to the Demand Charge the excess of Company's Large Power Surcharge Supply Capacity Costs per kW over Company's Basic Capacity Cost. Company's Large Power Surcharge Supply Capacity Costs per kW will be: 1) Company's cost per kW as purchased from its power suppliers with appropriate adjustments for reserve requirements/replacement power, transmission losses and coincidence factor; 2) The Company's estimated annual Revenue Requirements per kW associated with Company's power production facilities added or refurbished to supply the power; or 3) A blend of the above costs if more than one source is used to supply the power. Company's Basic Capacity Costs per kW will be Company's estimated annual Revenue Requirements associated with Company-owned power production facilities and with Company firm power purchases, exclusive of the estimated annual Revenue Requirements associated with any such purchases or Company-owned power facilities which are covered by a Large Power Surcharge, divided by the aggregate coincidental

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kilowatts of all customer loads serviced by such generating capacity and purchased capacity, adjusted for estimated transmission losses and load coincidence factor.

Company will advise Customer of the Large Power Surcharge Supply Capacity Costs as soon the Company has made arrangements for the capacity and Company will advise Customer of the Company's Basic Capacity Costs 30 days prior to the beginning of each calendar year in which the surcharge may be applied.

**Energy Portion**

For each kWh delivered to Customer subject to surcharge, Company shall add to the Energy Charge the excess of Company's Actual Large Power Surcharge Supply Energy Costs per kWh over the Company's Basic Energy Costs.

Company's Actual Large Power Surcharge Supply Energy Costs per kWh will be determined monthly as Company's actual cost per kWh for the energy: 1) Generated by and associated with the Purchased Capacity, adjusted for estimated transmission losses; 2) Generated by and associated with Company's power production facilities added or refurbished to supply the power; or 3) A blend of the above costs if more than one source is used to supply the power. Company's Basic Energy Costs per kWh will be Company's estimated annual Revenue Requirements for fuel and associated operation and maintenance expenses at Company-owned power production facilities, and for energy associated with firm power purchases and economy purchases (but exclusive of all emergency and scheduled outage energy, and exclusive of any energy associated with Purchased Capacity and exclusive of energy provided by Company-owned power facilities covered by a Large Power Surcharge) divided by the aggregate associated kilowatt-hours, adjusted for estimated transmission losses.

Company will advise Customer of the approximate Large Power Surcharge Supply Energy Costs and Company's Basic Energy Costs 30 days prior to the beginning of each calendar year in which the surcharge may be applied.

Where the above surcharge is applicable to only a portion of the electric service taken at one point of delivery, the kWh subject to surcharge shall be the total kWh delivered in the month multiplied by the ratio of the Capacity subject to surcharge over the total Firm Demand at that point of delivery.

**OPERATING PRACTICES**

The Company shall employ operating practices and standards of performance in providing service under this LP Schedule that conform to those recognized as sound practices within the utility industry. In making deliveries of power under this LP Schedule, Company shall exercise such care as is consistent with normal operating practice by using all available

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facilities to minimize and smooth out the effects of sudden load fluctuations or other variance in voltage or current characteristics that may be detrimental to Customer's operations.

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**Director – Customer Analytics and Market Settlements**

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 18th day of February, 2026, I electronically filed a true and correct copy of Minnesota Power's **Petition in Docket No. E015/M-26-XXX** on the Minnesota Public Utilities Commission and the Energy Resources Division of the Minnesota Department of Commerce via electronic filing. The persons on Minnesota Power Large Power Service List were served as requested.



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Amy M. Honkala