



Verso Corporation
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Steve Brooks
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July 3, 2019

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

Dear Commissioners,

I am writing on behalf of the Verso Corporation, owner of the Duluth Paper Mill in Duluth Minnesota. Verso is a longtime customer of Minnesota Power (MP) with a history that goes back to the establishment of the facility. MP supplies full requirements electrical service to the Mill, and there is an ongoing symbiotic relationship between the Mill and the Hibbard Renewable Energy Center which supplies steam to the Mill.

The Mill's primary product is Supercalendered Papers an example of which is the higher quality inserts used in newspapers by local retailers. In addition to reduced demand for our product related to electronic substitution, we have also experienced significant competitive international pressure from importers of paper products with Canada being one of our most challenging competitors. Energy is one of our highest input costs and our electricity cost in Minnesota is the highest of any of our 6 operating pulp and paper facilities. Even with competitive rate credits and refunds from the 2017 Tax Act our electric rates have increased by more than 60% since 2007. These high costs put the Mill at a competitive disadvantage in the market place and place the future of the Mill at risk.

MP has proposed a Demand Response program that would benefit all customers by providing an initial framework to integrate demand-side resources with the potential to offset the need for new peaking plant resources. It would allow industrial customers to use the flexibility and high load requirements to benefit the system while reducing our electrical costs. Verso has been a long-time participant in MP's existing, limited Demand Response program and sees MP's proposal as an opportunity to significantly increase the value of Demand Response for our company and MP's system.

Although the proposal from MP is not perfect, we look forward to having the opportunity to evaluate the costs and benefits of integrating the terms of the proposed tariff into our operations. We therefore respectfully request that the Commission approve MP's petition.

Sincerely,

A handwritten signature in blue ink that reads "Steve Brooks".

Steve Brooks
Director, Corporate Energy

CERTIFICATE OF SERVICE

I, Carmel Laney, hereby certify that I have this day served a true and correct copy of the following document, on behalf of Verso Corporation, to all persons at the addresses indicated below or on the attached list by electronic filing, electronic mail, courier, interoffice mail or by depositing the same enveloped with postage paid in the United States Mail at Minneapolis, Minnesota.

VERSO CORPORATION LETTER

In the Matter of a Rider for Large Power Demand Response
PUC Docket No. E-015/M-18-735

Dated this 3rd day of July, 2019

/s/ Carmel Laney
Carmel Laney

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Christopher	Anderson	canderson@allete.com	Minnesota Power	30 W Superior St Duluth, MN 558022191	Electronic Service	No	OFF_SL_18-735_Official
Laura	Bishop	Laura.Bishop@state.mn.us	MN Pollution Control Agency	520 Lafayette Rd Saint Paul, MN 55155	Electronic Service	No	OFF_SL_18-735_Official
Jon	Brekke	jbrekke@grenergy.com	Great River Energy	12300 Elm Creek Boulevard Maple Grove, MN 553694718	Electronic Service	No	OFF_SL_18-735_Official
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