

June 24, 2025

PUBLIC DOCUMENT

Will Seuffert
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, Minnesota 55101-2147

RE: **PUBLIC** Comments of the Minnesota Department of Commerce
Docket No. E015/AA-25-64

Dear Mr. Seuffert:

Attached are the **PUBLIC** comments of the Minnesota Department of Commerce (Department) in the following matter:

Minnesota Power's Petition for Approval of the Annual Forecast of Automatic Adjustment Charges for the Period of January 2026 through December 2026.

The Petition was filed by Minnesota Power on May 1, 2025.

The Department recommends **approval of Minnesota Power's 2026 Fuel Forecast and resulting forecasted rates, subject to a subsequent true-up, pending results of the MISO Planning Resource Auction provided by Minnesota Power in Reply Comments**, and is available to answer any questions the Minnesota Public Utilities Commission may have.

Sincerely,

/s/ Dr. SYDNIE LIEB
Assistant Commissioner of Regulatory Analysis

JT/AG/ad
Attachment



Before the Minnesota Public Utilities Commission

PUBLIC Comments of the Minnesota Department of Commerce

Docket No. E015/AA-25-64

I. INTRODUCTION

On May 1, 2025, Minnesota Power (MP or the Company) filed its Petition for Approval of the Annual Forecast of Automatic Adjustment Charges for the Period of January 2026 through December 2026 (Fuel Report). Minnesota Power made its Fuel Report to comply with the decisions the Minnesota Public Utilities Commission (Commission) rendered in its June 12, 2019 [Order](#) in Docket No. E999/CI-03-802 and in compliance with [Minnesota Rules](#) 7825.2800 to 2825.2840 governing Automatic Adjustment of Charges.

Minnesota Statutes § 216B.16, subd. 7, authorizes the Commission to allow a public utility to automatically adjust charges for the cost of fuel in certain circumstances.

On May 1, 2024, Minnesota Power filed its [2025 Forecasted Fuel and Purchased Energy Report](#) for approval of 2025 fuel rates in Docket No. E015/AA-24-64. On November 8, 2024, the Commission issued its [Order](#) approving the following:

1. Approved Minnesota Power's Annual Forecasted Fuel and Purchased Energy Rates (FPE) for the Calendar Year 2025, subject to a subsequent true-up.
2. Required Minnesota Power to make a compliance filing with a redlined and clean version of the Fuel and Purchased Energy Rider Tariff sheet with supporting calculations, within 10 days of the Commission's Order for implementation effective January 1, 2025.

In its June 30, 2020 [Order](#), the Commission approved Minnesota Power's April 23, 2020 [Petition](#) and proposal in Docket No. E015/M-20-429. The Commission's June 30, 2020 Order resolved Minnesota Power's 2019 Rate Case by recalculating base rates based on costs established in the 2016 rate case, except for asset based margins that were moved to the Fuel Clause Adjustment (FCA).

For additional background on Minnesota Power's Annual Forecasted Fuel and Purchased Energy Rates filings, see Department Attachment 1.

On December 20, 2024, Minnesota Power filed a [Compliance Filing](#) in Docket No. E015/GR-23-155, and requested an adjustment to the approved interim rates of \$102.6 million, proposing that previously excluded Oxides of Nitrogen (NOx) expenses of \$9.5 million be recovered in the Company's Fuel and Purchased Energy Rider. Minnesota Power notes the NOx costs are now included in the current

Petition's Attachment 1 FAC Calculation, and that there are no NOx costs included in the 2026 FAC Forecast with the Good Neighbor Rule stayed.¹

On February 5, 2025, the Department filed [Comments](#) in Docket No. E015/GR-23-155, recommending approval of Minnesota Power's interim rate refund proposal.

On March 19, 2025, the Commission filed a [Notice of Approval of Compliance Filing and Proposed Notice](#), approving these changes.

II. PROCEDURAL BACKGROUND

May 1, 2025 Minnesota Power filed a petition for approval of its 2026 Annual Forecast of Automatic Adjustment Charges.

III. DEPARTMENT ANALYSIS

A. ANNUAL COMPLIANCE/REPORTING REQUIREMENTS

The Department identified the following five compliance filings (parts A.1 to A.5 below) and four Minnesota Rule Requirements (part A.6 below) applicable to Minnesota Power. As discussed below, three of the compliance filings were addressed in Minnesota Power's Forecast Report (with some additional information to be provided in Minnesota Power's True-Up Report) and the other two compliance filings will be addressed in Minnesota Power's True-Up Report. The Department notes the Commission's June 12, 2019 [Order](#) in Docket No. E999/CI-03-802, ordering point 7, approved reporting requirements for Minnesota Power of the Forecast and True-Up Reports as provided in Attachment 1 of the Department's March 1, 2019 [Joint Comments](#). Minnesota Power provided the applicable Attachment 1 reporting requirements information in its Forecasting Report.

A.1. Plant Outages Contingency Plans: In the Matter of the Review of the 2008 Annual Automatic Adjustment Reports for All Electric Utilities, Docket No. E999/AA-08-995

Minnesota Power provided its Outage Methodology and Forecasted Planned and Forced Outage Costs (Attachment No. 5 of the Company's 2026 Fuel Forecast Report) but will supply its Contingency Plans discussion with the True-Up Filing as it relates to outage delays, reasons for the delays, and lessons learned which are all based on actual outages.

A.2. Sharing Lessons Learned Regarding Forced Outages: In the Matter of the Review of the 2009-2010 Annual Automatic Adjustment Reports for All Electric Utilities, Docket No. E999/AA-10-884

Minnesota Power provided Outage Methodology and Forecasted Planned and Forced Outage Costs (Attachment No. 5 of the Company's 2026 Fuel Forecast Report) but will supply actual forced outage

¹ Petition, pp. 4-5.

costs, descriptions of outages, and lessons learned with its True-Up Filing, which will be based on actuals.

A.3. In the Matter of a Petition by Minnesota Power for Approval of a Power Purchase Agreement with Manitoba Hydro, Report on Purchased Power Agreement (PPA) with Manitoba Hydro, Docket No. E015/M-10-961

Minnesota Power in [Reply Comments](#) in its 2023 Fuel Forecast true-up in Docket No. E015/AA-22-216 stated the agreement executed with Manitoba Hydro expired April 30, 2022 and requested the Commission remove the reporting requirements relating to Manitoba Hydro in future reports. On July 1, 2024 the Commission issued an [Order](#) removing the reporting requirement relating to the Manitoba Hydro PPA in future reports. As such, the Company need not submit this information the Instant Docket, nor in similar filings going forward.

A.4. Self-Scheduling Reporting for Xcel, Minnesota Power, and Otter Tail Power as required by the Commission's February 7, 2019 Order in Docket No. E999/AA-17-492

Minnesota Power's self-scheduling report was filed on [March 3, 2025](#) in Docket No. E999/CI19-704.

A.5. MISO Day 2 Charges and Allocations & Auction Revenue Rights (ARR) Process and forecasted Information

Minnesota Power provided the MISO [Midcontinent Independent System Operator] Day 2 and ARR Information as required by Docket No. E999/AA-07-1130 and Docket No. E015/M-05-277, respectfully, in Attachment Nos. 3 and 4 of Minnesota Power's 2026 Fuel Forecast Report.

A.6. Minnesota Rule Requirements

A.6.1. Fuel and Energy Source Procurement and Energy Dispatching Policies ([Minnesota Rules 7825.2800](#)):

Attachment No. 2 of Minnesota Power's 2026 Fuel Forecast Report.

A.6.2. Forecast of Annual Automatic Adjustment Charges ([Minnesota Rules 7825.2810](#)):

Minnesota Power provided the forecasted annual automatic adjustment charges for the period January to December 2026. Included is a breakdown by energy type as required in Docket No. E, G999/AA-04-1279, Commission *Order* Dated December 7, 2005. See Attachment No. 1 of Minnesota Power's 2026 Fuel Forecast Report.

A.6.3. Annual Five-Year Projection of Fuel Costs ([Minnesota Rules 7825.2830](#)):

Attachment No. 6 of Minnesota Power's 2026 Fuel Forecast Report.

A.6.4. Annual Notice of Reports Availability ([Minnesota Rules 7825.2840](#)):

Attachment No. 7 of Minnesota Power's 2026 Fuel Forecast Report.

B. INVESTIGATION INTO THE APPROPRIATENESS OF CONTINUING TO PERMIT ELECTRIC ENERGY COST ADJUSTMENTS – COMPLIANCE FILINGS AND AMENDING INITIAL ANNUAL FILING REQUIREMENTS AS REQUIRED BY THE COMMISSION'S MARCH 12, 2024 ORDER IN DOCKET NO. E999/CI-03-802

Minnesota Power provided the following information required by the Commission [Order](#):

- Most recent three-year average of actual annual data compared to forecast for the FCA calculation components (Excel Spreadsheet Attachment 1 – FAC Calculation 2026 Forecast), generation costs (Attachment 1.1), purchase costs (Attachment 1.2), inter-system sales (Attachment 1.3), and outages (Attachment 5);
- Attachment addressing costs related to MISO (Attachment 3);
- Attachment to its annual FCA true-up filing addressing charges related to MISO's ancillary service market (Attachment 3).

Based on the Department's review of Minnesota Power's compliance filings and reporting requirements, the Department recommends the Commission accept Minnesota Power's compliance filings and reporting requirements.

C. SALES FORECAST FOR 2026

The following table compares Minnesota Power's 2025 Forecasted Sales (MWh) and 2026 Forecasted Sales (MWh).

Table 1: 2025 and 2026 Forecasted Sales (MWh)

	2025 Forecast²	2026 Forecast³	Change in MWh	Percent Change
Total Sales of Electricity	12,710,739	13,073,942	363,203	2.86%
Residential	1,040,641	1,019,894	-20,747	-1.99%
Commercial	1,202,801	1,228,910	26,109	2.17%
LP Taconite	4,190,960	4,204,124	13,164	0.31%
LP Paper and Pulp	601,791	571,305	-30,486	-5.07%
LP Pipeline	321,073	320,458	-615	-0.19%
Other Misc.	318,858	323,419	4,561	1.43%
Municipals	1,378,882	1,365,072	-13,810	-1.00%
Inter System Sales	3,655,733	4,040,760	385,027	10.53%
Less: Inter System Sales	3,655,733	4,040,760	385,027	10.53%
Customer Inter System Sales	1,011,240	1,010,155	-1,085	-0.11%
Market Sales	2,640,408	3,024,121	383,713	14.53%
Station Generation Service	4,085	6,484	2,399	58.73%
Sales due to Retail Loss of Load	-	-	-	-
Less: Solar Generation & Purchases	57,106	56,989	-117	-0.20%
Total Fuel Clause Sales	8,997,900	8,976,193	-21,707	-0.24%

Minnesota Power's total sales forecast for 2026 compared to 2025 shows an increase in total sales of electricity forecasted year over year, which is largely driven by increased commercial and Large Power (LP) Taconite customer sales, and increased Market and Inter System Sales. In addition, there is a slight decrease to 2026 forecasted Customer Inter System Sales, sales of electricity to municipals, residential, and LP Paper and Pulp customers, and a slight decrease in Solar Generation & Purchases. The Department notes this results in the Company forecasting slightly lower (less than a quarter of one percent) Total Fuel Clause Sales for 2026 compared to 2025.

Minnesota Power reported it continues to use the RTSim production cost model for budgeting and planning purposes and, in this proceeding, to estimate the monthly fuel costs. According to the Company:

The RTSim model is a detailed hourly simulation that dispatches generation to meet customer load requirements, while simultaneously factoring in bilateral contracts and the energy market and assigns the appropriate energy costs to customers. The inputs that drive the model include customer loads, forecasted forward energy prices, contract energy purchases and sales, and generation parameters (i.e. fuel costs, maintenance schedules, etc.) The model's output includes the energy and

² In the Matter of Minnesota Power's Petition for Approval of the Annual Forecast of Automatic Adjustment Charges for the period of January 2025 through December 2025, Minnesota Power, Initial Filing, May 1, 2024, Docket No. E015/AA-24-64, (eDockets) [20245-206290-01](#) at 6-7.

³ Petition, p. 7, Table 2.

costs for thermal generation, hydro generation, wind generation, bilateral contracts, and MISO market purchases and sales.⁴

For forward energy prices, Minnesota Power uses the forward market energy price outlook. The 2026 energy price outlook is based on a 10-business-day average of forward market energy price at close from February 10, 2025 through February 24, 2025. For 2026, the on-peak average was **[TRADE SECRET DATA HAS BEEN EXCISED]**.⁵

As part of its review, the Department compared Minnesota Power's 2026 sales forecast to 2022 to 2024 actual sales (three most recent years of actuals) and three-year average for 2022 to 2024, now part of the annual FCA filing as required by the Commission's March 12, 2024 Order in Docket No. E999/CI-03-802. This information is reproduced in the table below:

**Table 2: Minnesota Power's 2022 to 2024 Actual Sales
Compared to 2026 Sales Forecast per MWh⁶**

	2022 Actuals	2023 Actuals	2024 Actuals	2022-2024 Average	2026 Forecast
Total Sales of Electricity	12,948,280	12,796,580	12,556,303	12,767,054	13,073,942
Residential	1,063,695	1,013,751	972,995	1,016,814	1,019,894
Commercial	1,181,292	1,179,547	1,145,891	1,168,910	1,228,910
LP Taconite	4,297,541	4,410,110	4,264,177	4,323,943	4,204,124
LP Paper and Pulp	490,030	533,667	562,745	528,814	571,305
LP Pipeline	305,030	336,125	319,797	320,317	320,458
Other Misc.	341,716	355,881	323,756	340,451	323,419
Municipals	1,299,049	1,338,625	1,352,278	1,329,984	1,365,072
Inter-System Sales	3,969,927	3,628,874	3,614,664	3,737,822	4,040,760
Less: Inter System Sales	3,969,927	3,628,874	3,614,664	3,737,822	4,040,760
Customer Inter System Sales	820,924	809,093	934,429	854,815	1,010,155
Market Sales	3,140,614	2,812,719	2,676,731	2,876,688	3,024,121
Station Generation Service	8,390	7,063	3,504	6,319	6,484
Sales due to Retail Loss of Load	-	-	-	-	-
Less: Solar Generation & Purchases	16,112	38,441	50,258	34,937	56,989
Total Fuel Clause Sales	8,962,240	9,129,265	8,891,381	8,994,296	8,976,193

Minnesota Power provided its customer sales assumptions in Petition Attachment No. 1, pages 2 and 3. Based on the Department's review of the Company's actual sales for 2022 through 2024, the three-

⁴ Petition, Attachment 1, p. 4.

⁵ Petition, Attachment 1, p. 4.

⁶ Petition, Attachment 1.01, "2026 Comparison" Excel Spreadsheet.

year average from 2022 through 2024, and 2026 sales assumptions, the Department notes Minnesota Power's 2026 sales forecast for retail sales are similar to the most recent 2022 actuals and three-year average for 2022 through 2024. Minnesota Power similar inter-system sales in 2022, and an overall increase in inter-system sales forecasted for 2026 over the 2022-2024 three-year average. The Company has year over year growth in actual sales of solar generation and purchases, and the 2026 solar generation forecast continues that trend. Total fuel clause sales for 2026 forecast are slightly lower (less than a quarter of one percent) than 2025 forecast, but generally in line with prior years and the three-year average.

Overall, the Department recommends the Commission accept Minnesota Power's 2026 sales forecast to set FCA rates for 2026, as total fuel clause sales are slightly lower but comparable to 2022 actuals and the three-year average for 2022 through 2024. The Department notes Minnesota Power's FCA revenues and costs are subject to true-up in the 2026 True-Up Report. The Department also notes our recommendation in this docket should not be used in Minnesota Power's rate cases or other rate proceedings, where a more thorough review of the Company's sales forecast will occur.

D. FORECASTED AUTOMATIC ADJUSTMENT CHARGES FOR 2026

Minnesota Power provided its Forecasted Fuel Cost Summary on page 7 of its Petition and more detailed information in Petition, Attachment No. 1, Excel Spreadsheet "FAC Calculation". Table 3 provides Minnesota Power's 2026 Forecasted Fuel Cost Summary, which includes wholesale asset based margins, and excludes fuel costs for inter system sales.

Table 3: 2026 Forecast Fuel Cost Summary⁷

	2026 Forecast
Company's Generating Stations	\$140,213,387
Plus: Purchased Energy	\$244,372,669
Plus: MISO Charges	\$51,935,022
Plus: Reagent Charges	\$5,953,535
Plus: NOx Costs	\$0
Less: MISO Sch. 16, 17, and 24	\$(538,786)
Less: Cost Recovered through Inter-System Sales	\$163,329,777
Less: Costs Related to Solar	\$2,628,009
Plus: Time of Generation and Solar Energy Adjustment	\$1,610,007
Total Cost of Fuel	\$278,665,619
Total Fuel Clause Sales (MWh)	8,976,193
Average Cost of Fuel (¢/kWh)	3.098

The Department reviewed Minnesota Power's actual fuel costs from 2022 to 2024, by year, three-year average of 2022 to 2024 actuals, and 2026 forecast as now required as part of the annual FCA filing by

⁷ Petition, p. 7, Table 1.

the Commission's March 12, 2024 Order in Docket No. E999/CI-03-802. Table 4 provides this information.

Table 4: 2022 to 2024 Actuals and 2022-2024 Three Year Average Compared to 2026 Forecasted Fuel Cost Summary per \$/MWh⁸

	2022 Actuals	2023 Actuals	2024 Actuals	2022-2024 Average	2026 Forecast
Company's Generating Stations	\$130,269,082	\$120,798,378	\$105,641,617	\$118,903,026	\$140,213,387
Plus: Purchased Energy	\$262,867,849	\$255,150,291	\$251,745,840	\$256,587,993	\$244,372,669
Plus: MISO Charges	\$59,750,884	\$24,240,451	\$42,110,145	\$42,033,827	\$51,935,022
Less: MISO Sch. 16, 17, and 24	\$(406,916)	\$(434,364)	\$(584,180)	\$(475,153)	\$(538,786)
Less: Cost Recovered through Inter System Sales	\$167,749,176	\$129,080,438	\$120,507,648	\$139,112,421	\$163,329,777
Less: Costs Related to Solar	\$83	\$1,354,052	\$2,138,863	\$1,164,333	\$2,628,009
Plus: Time of Generation and Solar Energy Adjustment	\$440,270	\$1,191,444	\$1,271,757	\$967,823	\$1,610,007
Total Cost of Fuel	\$285,985,742	\$271,380,438	\$278,707,027	\$278,691,069	\$278,665,619
Total Fuel Clause Sales (MWh)	8,962,240	9,129,265	8,891,381	8,994,296	8,976,193
Average Cost of Fuel	\$31.91	\$29.73	\$31.35	\$30.99	\$31.04

The Company's 2026 forecasted cost of fuel is similar to its three-year 2022 through 2024 average, although some differences are present across different categories, and is lower than its 2022 actuals. Purchased energy costs in the 2026 forecast are down from 2024 as a result of increased generation offsetting energy purchases, resulting in fewer MWh of energy purchased and resultant lower purchased power costs. MISO Charges discussed below, and Costs recovered from Inter System Sales are both up from 2024, but down from 2022 levels. Solar costs are up due to higher forecasted solar generation and increased contract prices.⁹

Table 4 shows the average cost of fuel for the 2026 is about the same as the three-year average of 2022 through 2024 actuals at a 0.16% increase, and 0.99% lower than 2024 actuals. Overall, based on the information Minnesota Power provided and the Department's review, the Department considers Minnesota Power's 2026 fuel forecast to be reasonable.

⁸ Petition, Attachment No. 1.01, Excel Spreadsheet "2026 Comparison".

⁹ Petition, Attachment No. 1.02, Excel Spreadsheet "2024 Variance" & Attachment No. 1.03, Excel Spreadsheet "3 Year Variance"

The Department recommends the Commission approve Minnesota Power's 2026 Fuel and Purchased Energy Forecast for setting initial FCA rates in this proceeding, subject to a true-up.

E. FORECASTED COMPANY OWNED GENERATION BY FUEL TYPE AND LOCATION

The Department reviewed Minnesota Power's company-owned generation costs, by facility, for 2022 to 2024, by year, three-year average of 2022 to 2024 actuals, and its 2026 forecast as now required as part of the annual FCA filing by the Commission's March 12, 2024 Order in Docket No. E999/CI-03-802. Table 5 provides this information.

**Table 5: Company Owned Generation – 2022 to 2024
Actuals, 2022 to 2024 Three-Year Average, and 2026 Forecast¹⁰**

Company Owned Generation	2022 Actuals	2023 Actuals	2024 Actuals	2022-2024 Average	2026 Forecast
Coal					
Boswell 3	\$52,242,979	\$53,904,679	\$34,229,658	\$46,792,439	\$49,009,842
Boswell 4	\$57,234,785	\$58,342,766	\$60,000,558	\$58,526,036	\$72,915,777
Gas					
Laskin 1	\$6,306,886	\$2,355,052	\$3,755,977	\$4,139,305	\$3,895,243
Laskin 2	\$6,961,890	\$1,915,269	\$3,588,721	\$4,155,293	\$5,737,674
Biofuel					
Hibbard 3	\$3,761,271	\$2,149,351	\$1,532,644	\$2,481,089	\$5,576,170
Hibbard 4	\$3,761,271	\$2,131,262	\$2,534,059	\$2,808,864	\$3,078,680
Wind					
Bison	\$0	\$0	\$0	\$0	\$0
Tac Ridge	\$0	\$0	\$0	\$0	\$0
Hydro					
Hydro	\$0	\$0	\$0	\$0	\$0
Total Company Generation	\$130,269,082	\$120,798,378	\$105,641,617	\$118,903,026	\$140,213,387
MWh	[TRADE SECRET DATA HAS BEEN EXCISED]				
Total Company Owned Generation per MWh					

Minnesota Power's assumptions for its Company-owned generation are found in Attachment 1.1, pages 3 through 4. Based on the Department's review of Minnesota Power's owned generation assumptions, we consider the Company's assumptions to be reasonable.

¹⁰ Petition, Attachment 1.1, p. 2.

Analyst(s) assigned: Justin Taylor and Andrew Golden

As noted above, the Company is forecasting increased generation for 2026, resulting in increased generation costs for 2026 compared to 2024 actuals and the three-year average. As shown in its Petition, **[TRADE SECRET DATA HAS BEN EXCISED]**

Based on our review, the Department considers Minnesota Power's 2026 owned generation forecast on an average per MWh basis to be reasonable for the purposes of setting initial FCA rates in this proceeding, subject to the subsequent true-up.

F. PURCHASED ENERGY – LONG TERM PPAS

Minnesota Power forecasted purchased energy of \$244,372,669 for 2026.¹¹ The Company provided details of purchase costs in Petition, Attachment No. 1.2, pages 5 through 7, as now required as part of the annual FCA filing by the Commission's March 12, 2024 Order in Docket No. E999/CI-03-802. Table 6 provides this information.

Table 6: Purchased Energy – Long-Term PPAs for 2022 to 2024 Actuals, 2022 to 2024 Three-Year Average, and 2026 Forecast¹²

Purchased Energy	2022 Actuals	2023 Actuals	2024 Actuals	2022-2024 Average	2026 Forecast
Coal – Square Butte	\$30,080,957	\$36,731,373	\$39,193,841	\$35,335,390	\$40,287,850
Hydro – MHEB	\$115,956,880	\$115,566,245	\$108,194,877	\$113,239,334	\$105,201,284
Wind	\$32,536,121	\$28,378,594	\$29,116,633	\$30,010,450	\$29,353,013
Solar	\$137,350	\$1,576,111	\$2,363,833	\$1,359,098	\$2,860,009
Market	\$84,156,541	\$72,897,968	\$72,876,656	\$78,022,882	\$66,670,513
Total	\$262,867,849	\$255,150,291	\$251,745,840	\$257,967,153	\$244,372,669

Minnesota Power's assumptions and contract information for purchased energy costs are found in Petition Attachment 1.2, pages 8 and 9. The Company provides some explanations for variances in its forecast from prior year actuals. Average market prices are increasing from 2024, therefore increasing the forecasted 2026 market purchase costs and the forecasted 2026 intersystem sales fuel costs that were served by market purchases.¹³

Based on the Department's review of Minnesota Power's assumptions and contract information for purchased energy, we consider this information to be reasonable. The Department notes the Company's 2026 forecast has lower market purchases and appears reasonable, when compared to 2022 through 2024 actuals, and the 2022 through 2024 three-year average.

The Department recommends the Commission accept Minnesota Power's purchased energy forecast for setting initial FCA rates in this proceeding, subject to the subsequent true-up.

¹¹ Petition, Attachment 1.2 pages 1 to 7 and p. 7 for total amounts.

¹² Petition, Attachment 1.2, pp. 5-7.

¹³ Petition, Attachment 1.02, Excel Spreadsheet "2024 Variance".

G. MISO ENERGY MARKET (MISO DAY 2) AND ANCILLARY SERVICES MARKET

Minnesota Power forecasts MISO Market Charges of \$51,935,022 for 2026.¹⁴ Minnesota Power provides MISO Day 2 Charges and Allocations in Petition, Attachment No. 3. The following table summarizes the Total Net MISO Charges (MISO Day 2 and ASM) included in Minnesota Power's 2026 Fuel and Purchased Energy Forecast. The table also provides the allocation of MISO charges between retail and municipal sales on a per-MWh basis.

Table 7: 2026 Forecasted Net MISO Charges

Total Net MISO Charges		
MISO Market Purchases ¹⁵		\$32,591,988
MISO Cost – Other than Energy ¹⁶		\$51,935,022
MISO, Reagent, NOx Costs Recovered through Inter-System Sales (Market Sales) ¹⁷		\$(7,369,735)
MISO Costs Recovered through Inter-System Sales (Customer Sales) ¹⁸		\$(46,197,001)
MISO Market Sales ¹⁹		\$(36,479,416)
Net Total MISO Charges		\$(5,519,142)
Allocation of Net MISO Charges		
Retail Sales (in MWh) ²⁰	7,611,120	\$(4,679,808)
Municipal Sales (in MWh) ²¹	1,365,072	\$(839,334)
Total FCA Sales	8,976,192	\$(5,519,142)

Minnesota Power's Net MISO charges for its 2025 forecast was a \$11.4 million revenue credit, which was higher than the 2024 prior year due to an increase in MISO Market Sales.²² The Company's Net MISO Charges for its 2026 forecast is an \$5.5 million revenue credit, which is a \$5.89 million decrease in revenue credit from the 2025 forecast. The decrease in credit from the 2025 forecast is primarily due to a \$12.6 million increase in MISO charges, large due to higher expected MISO costs and higher market purchases of \$5.5 million need to meet the Company's energy requirements, from the 2025 to 2026 forecast.

Minnesota Power responded to a Department Information Request (IR) to breakdown the totals of the MISO, Reagent, NOx Costs recovered through Inter-System Sales, which were initial totaled together in

¹⁴ Petition, p. 7.

¹⁵ Petition, Attachment 1.2, p. 1 under "Market Purchase" Total.

¹⁶ Petition, Attachment 1, Excel Spreadsheet "FAC Calculation" under "Plus: MISO Charges" Total.

¹⁷ Petition, Attachment 1, Excel Spreadsheet "FAC Calculation" under "MISO, Reagents, and NOx Costs" Total.

¹⁸ Petition, Attachment 1, Excel Spreadsheet "FAC Calculation" under "Customer Inter-System Sales" Total.

¹⁹ Petition, Attachment 1.3, p. 1 under "MISO Market Sales" Total.

²⁰ Petition, Attachment 3, p. 13 under FPE Retail Mwh Grand Total.

²¹ Petition, Attachment 3, p. 13 under FAC Resale Mwh Retail Grand Total.

²² Docket No. E015/AA-24-64, Department Comments dated July 1, 2024, at 11.

the current petition. The total 2026 forecasted Inter-System Sales MISO costs are \$6,639,489, and Reagent costs are \$730,246, with zero NOx costs for 2026.²³

The Department concludes the Company's MISO Day 2 and ASM costs and revenues included in the 2026 forecast appear reasonable. The Department recommends the Commission accept Minnesota Power's MISO Day 2 and ASM costs and revenues included in the 2026 forecast for the purpose of setting initial FCA rates in this proceeding, subject to a subsequent true-up.

H. ASSET-BASED MARGINS

The Commission approved Minnesota Power's petition to move asset-based margins from base rates in the rate case to the fuel clause adjustment in Docket Nos. E015/GR-19-442 and E015/M-20-429 in its [Order](#) dated June 12, 2020. As provided by Minnesota Power:

Minnesota Power uses a RTSim production cost model to determine when a sale is an asset-based sale. The margins from these sales are included in the FAC Calculation (Attachment 1 – 2024 FAC Forecast Calculation) per the Rate Case Resolution Docket Nos. E015/GR-19-442 and E015/M-20-429. The margin from the municipal incremental sale is also included in the asset based sales margins. Starting March 1, 2025 with the final rate implementation in the 2023 Rate Case, short term capacity revenues that were originally included in the asset based sales margin are now included in the Capacity Revenue and Expenses Rider ("CREA"). Refer to E015/GR-23-155 for discussion on moving short term capacity revenues from the Fuel and Purchased Energy Calculation to the CREA.²⁴

See Minnesota Power's 2025 Annual Capacity Revenue and Expense Rider [initial petition](#). The Department is currently reviewing the petition.

For 2026, Minnesota Power forecasted \$0 in non-MISO asset-based costs.²⁵ As provided in Minnesota Power's Petition Attachment No. 1.3, p. 6 of 7 in Minnesota Power's assumptions, "For 2026, no asset based sales to a counterparty have been forecasted."

For 2026, Minnesota Power forecasted \$36,479,416 in MISO Market Sales, which assumes **[TRADE SECRET DATA HAS BEEN EXCISED]**.²⁶ Minnesota Power uses the RTSim production cost model to determine the volume and cost for MISO market sales. The Company states, "when excess energy is available and it's economical, the model will sell the excess energy into the MISO market."²⁷ The Department reviewed Minnesota Power's inputs and outputs for the RTSim and found the assumptions to be reasonable.

²³ Department Attachment 2, Minnesota Power IR 2 Response & IR Response Attachment 2.01.

²⁴ Petition, Attachment 1.2, p. 7.

²⁵ Petition, Attachment 1.3, p. 1.

²⁶ Petition, Attachment 1.3, p. 1.

²⁷ Petition, Attachment 1.3, p. 7.

The Department concludes the Company’s asset-based margins in the 2026 forecast appear reasonable. The Department recommends the Commission accept Minnesota Power’s asset-based margins in the 2026 forecast for the purpose of setting initial FCA rates in this proceeding, subject to a subsequent true-up.

I. OUTAGE COSTS – FORCED AND PLANNED

Minnesota Power’s Attachment No. 5 explains the Company’s planned and unplanned/forced outage methodology. For Boswell Units 3 and 4, planned outages are based on Original Equipment Manufacturer (OEM) guidelines. For unplanned outages:

Minnesota Power utilizes the average of the previous ten years of the NERC [North American Electric Reliability Corporation] Generating Availability Data System (“GADS”) Equivalent Unplanned Outage Factor (“EUOF”) to calculated [sic] unplanned outages. The EUOF is the percent of hours during the year (given period) the unit was in an unplanned outage. The ten-year average ensures one good or bad year does not over or under-state forecasted unit performance.²⁸

Minnesota Power provided forecasted and actual outage costs for 2022 through 2024, as now required as part of the annual FCA filing by the Commission’s March 12, 2024 Order in Docket No. E999/CI-03-802, shown in the following table.

Table 8: Comparison of Forecasted and Actual Forced and Planned Outage Incremental Costs for 2022 to 2024 Fuel Forecasts with 2026 Forecast (all figures in \$)²⁹

Outage Incremental Costs	2022		2023		2024		2022-2024 Average		2026 Forecast
	Forecasted	Actual	Forecasted	Actual	Forecasted	Actual	Forecasted	Actual	
	[TRADE SECRET DATA HAS BEEN EXCISED]								
Planned Outage									
Forced Outage									
Total									

The following table compares the Company’s forecast to actual incremental costs for planned outages in 2022 through 2024.

²⁸ Petition, Attachment 5, p. 3.

²⁹ Petition, Attachment 5, p. 10, “Unplanned outage Incremental Costs” & “Planned Outage Incremental Costs” tables.

**Table 9: Comparison of Forecast and Actual
Planned Outage Incremental Costs³⁰**

Incremental Costs	2022	2023	2024
Forecasted	\$(1,635,238)	\$2,843,515	\$716,161
Actual	\$2,697,271	\$425,645	(\$320,827)
Difference	\$4,332,509	\$(2,417,870)	\$(1,036,998)

Minnesota Power included planned outages, based on its long-term planned outage schedule, shown in the following table:

Table 10: Planned Outages 2026³¹

Unit	Start Time	End Time	Duration (Days)	MISO #	Reason
Boswell 3	[TRADE SECRET DATA HAS BEEN EXCISED]				
Boswell 4					
Boswell 3					
Boswell 4					

The following table shows the unplanned outage information Minnesota Power provided.

Table 11: Unplanned Outages³²

Generation Specifications			
	Econ Min	Econ Max	EUOF ³³
Boswell Unit 3	75 MW	350 MW	8.7%
Boswell Unit 4	185 MW	580 MW	10.5%

Minnesota Power's 2026 forecast of unplanned/forced outages (MWhs) is **[TRADE SECRET DATA HAS BEEN EXCISED]** than the 2022 – 2024 average of actual unplanned outages (MWhs).³⁴ Minnesota Power explained the differences are due to low outages in its Boswell 4 units in 2024, but in 2022 and 2023 the outages were related to a Turbine Generator Bearing Repair and a Turbine/Generator trip repair outage, respectively.³⁵

In a response to DOC IR 5, Minnesota Power further explained the main drivers of the 2026 forecasted planned and unplanned outages. The main drivers of the 2026 forecasted unplanned and planned outages are market price fluctuations.³⁶

³⁰ Petition, Attachment 5, p. 10.

³¹ Petition, Attachment 5, p. 6.

³² Petition, Attachment 5, p. 7.

³³ The Equivalent Unplanned Outage Factor ("EUOF") is based on a 10-year average.

³⁴ Petition, Attachment 5, p. 9.

³⁵ Ibid.

³⁶ Department Attachment 3, Minnesota Power IR 5 Response.

Generally, the Department considers the information supportive of Minnesota Power's 2026 forecast for planned and forced outage costs. The Department recommends the Commission accept the Company's 2026 forecast for planned and forced outage costs, subject to a subsequent true-up.

J. MISO PLANNING RESOURCE AUCTION REVENUES

The Company did not include in its filing the results of the MISO Planning Resource Auction (PRA). The Department requests the Company provide in its Reply Comments, the Planning Resource Auction results, including all supporting information and calculations.

K. PROPOSED FORECASTED FUEL AND PURCHASED ENERGY RATES AND TARIFF

Minnesota Power proposes the following monthly FPE forecasted rates to be implemented January 1, 2026.

Table 12: Proposed Monthly Forecasted Rates (¢/kWh)³⁷

Jan.	Feb.	March	April	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
3.562	3.215	2.988	2.825	2.934	2.724	3.154	3.259	3.428	2.889	2.858	3.344

The Department has reviewed MP's 2026 FPE rate calculations and recommends the Commission approve the proposed monthly forecasted rates and require Minnesota Power to make a compliance filing with redlined and clean versions of the Fuel and Purchased Energy Rider Tariff sheet with supporting calculations, within 10 days of the date of the Order for implementation effective January 1, 2026.

L. PETITION FORMATTING

The Department recommends that in the future, the Company prepares their filings complete with all page numbers and attachment labels.

IV. DEPARTMENT RECOMMENDATIONS

For Minnesota Power's Annual Forecast of Automatic Adjustment Charges for the period of January 2026 through December 2026, the Department recommends the Commission accept Minnesota Power's filing, subject to a subsequent true-up, pending Minnesota Power providing in Reply Comments the results of the MISO Planning Resource Auction and all supporting information and calculations, and its impact, if any, on the 2026 FPE Forecast.

The Department further recommends the Commission approve the proposed monthly forecasted rates and require Minnesota Power to make a compliance filing with redlined and clean versions of the Fuel and Purchased Energy Rider Tariff sheet with supporting calculations, within 10 days of the date of the Order for implementation effective January 1, 2026.

³⁷ Petition, p. 8.

Based on analysis of Minnesota Power's Petition and the information in the record, the Department has prepared recommendations, which are provided below. The recommendations correspond to the subheadings of Section III above.

A.-B. ANNUAL COMPLIANCE/REPORTING REQUIREMENTS:

The Department recommends the Commission accept Minnesota Power's compliance filings and reporting requirements.

C. 2026 SALES FORECAST:

The Department recommends the Commission accept Minnesota Power's 2026 sales forecast to set FCA rates for 2026 as they are close to the three-year average of 2022 to 2024. The Department notes Minnesota Power's FCA revenues and costs are subject to true-up in the 2026 True-up Report.

D. 2026 FORECASTED AUTOMATIC ADJUSTMENT CHARGES SUMMARY:

The Department recommends the Commission approve Minnesota Power's 2026 Fuel and Purchased Energy Forecast for setting initial FCA rates in this proceeding, subject to a true-up.

E. FORECASTED COMPANY OWNED GENERATION BY FUEL TYPE AND LOCATION:

The Department considers Minnesota Power's 2026 forecasted generation reasonable. The Department recommends the Commission accept Minnesota Power's Forecasted Company Owned Generation by Fuel Type and Location.

F. PURCHASED ENERGY – LONG-TERM PPAS:

The Department considers Minnesota Power's purchased energy 2026 forecast reasonable. The Department recommends the Commission accept Minnesota Power's Purchased Energy 2026 forecast.

G. MISO ENERGY MARKET (MISO DAY 2) AND ANCILLARY SERVICES MARKET (ASM):

The Department concludes the Company's MISO Day 2 and ASM costs and revenues included in the 2026 forecast appear reasonable. The Department recommends the Commission accept Minnesota Power's MISO Day 2 and ASM costs and revenues included in the 2026 forecast for the purpose of setting initial FCA rates in this proceeding, subject to a subsequent true-up.

H. ASSET-BASED MARGINS:

The Department considers Minnesota Power's forecast for asset-based margins reasonable. The Department recommends the Commission accept the Minnesota Power's asset-based margins in the 2026 forecast for the purpose of setting initial FCA rates in this proceeding, subject to a subsequent true-up.

I. OUTAGES COSTS – FORCED AND PLANNED:

Generally, the Department considers the information supportive to Minnesota Power's 2026 forecast for planned and forced outage costs. The Department recommends the Commission accept the Company's 2026 forecast for planned and forced outage costs, subject to a subsequent true-up.

J. MISO PLANNING RESOURCE AUCTION REVENUES:

The Company did not include in its filing the results of the MISO Planning Resource Auction (PRA). The Department requests the Company provide in its Reply Comments, the Planning Resource Auction results.

K. PROPOSED FORECASTED RATES AND TARIFF:

The Department recommends the Commission approve the proposed monthly forecasted rates and require Minnesota Power to make a compliance filing with redlined and clean versions of the Fuel and Purchased Energy Rider Tariff sheet with supporting calculations, within 10 days of the date of the Order for implementation effective January 1, 2026.

L. PETITION FORMATTING:

The Department recommends that in the future, the Company prepares their filings complete with all page numbers and attachment labels.

PUBLIC ATTACHMENTS

[Minnesota Statutes § 216B.16](#), subd. 7, authorizes the Commission to allow a public utility to automatically adjust charges for the cost of fuel. Prior to 2020, utilities would (1) adjust their FCA rates monthly to reflect, on a per kWh basis, deviations from the base cost of energy established in the utility's most recent general rate case and (2) file monthly and annual reports to be reviewed for accuracy and prudence.

In 2003, the Commission initiated an investigation (Docket No. E999/CI-03-802) to explore possible changes to the FCA and invited stakeholders to comment on the purpose, structure, rationale, and relevance of the FCA. The Commission's December 19, 2017 [Order](#) in Docket No. E999/CI-03-802 approved certain reforms to the FCA mechanism. Specifically, Point 1 of the *Order* approved the Department's FCA reform proposals as follows:

- a. The Commission will set recovery of the Utility's fuel, power purchase agreements, and other related cost (fuel rates) in a rate case or an annual fuel clause adjustment filing unless a utility can show a significant unforeseen impact.
- b. Each electric utility will publish the monthly fuel rates in advance of each year to give customers notice of the next year's monthly electric fuel rates.
- c. The monthly fuel clause adjustment will not operate – each electric utility will charge an approved monthly rate.
- d. Utilities will be allowed to track any changes in \$/MWh fuel costs that occur over the year and there will be no carrying charge on the tracker.
- e. Annually, each electric utility will report actual \$/MWh fuel costs in each month by fuel type (including identification of costs from specific power purchase agreements) and compare the annual revenue based on the fuel rates set by the Commission with annual revenues based on actual costs for the year.
- f. Each electric utility will refund any over-collections and show prudence of costs before allowing recovery of under-collections. If annual revenues collected (\$/MWh) are higher than total actual costs, the utility must refund the over-collection through a true-up mechanism. If annual revenues collected are lower than total

actual costs), the utility must show why it is reasonable to charge the higher costs (under-collections) to ratepayers through a true-up mechanism.

The Commission's December 12, 2018 [Order](#) in Docket No. E999/CI-03-802 modified certain aspects of and added to the FCA reform previously approved in the Commission's December 19, 2017 *Order* in the same docket. In particular, the December 12, 2018 *Order*:

- Established a January 1, 2020 implementation date for the FCA reform.
- Required utilities, following the implementation of the FCA reform, to file an annual true-up by March 1 of each year following the relevant calendar year.
- Discontinued the requirement for utilities to submit monthly automatic adjustment filings.
- Granted the relevant utilities a variance to Minnesota Rules 7825.2600, subp. 3, which requires the FCA to be applied to base recovery of fuel costs on a monthly basis. Under the new FCA process, the monthly FCA would be irrelevant, because, instead, the Commission would use an annual forecast of fuel costs to adjust base fuel rates annually.

The Commission's June 12, 2019 [Order](#) in Docket No. E999/CI-03-802 provided additional details to finalize the FCA reform. Specifically, the *Order* approved, among other things:

- Variances to Minnesota Rules 7825.2800 through 7825.2840 to accommodate the new FCA process by modifying the filing deadlines contained in these rules.
- A procedural schedule, shown in Appendix A of the *Order*.
- A threshold of plus or minus five percent of all FCA costs and revenues to determine whether an even qualifies as significant, unforeseen impact that may justify an adjustment to the approved fuel rates. Utilities are permitted to implement revised rates following a 30-day notice period, subject to a full refund, if no party objects to the revised rates.
- Tracking under or over-recovered FCA costs as regulatory assets or liabilities, respectively, using FERC Account 182.3.
- Information requirements for the annual forecast and true-up filings for all electric utilities, including the reporting requirement changes outlined in Attachments 1, 2, and 3 of the March 1, 2019 [joint comments](#)¹ in Docket No. E999/CI-03-802 and the

¹ In the March 1, 2019 joint comments, Attachment 1 corresponds to Minnesota Power.

requirement that the annual true-up filings include a complete analysis and discussion of the consequences of self-commitment and self-scheduling of their generators, including the annual difference between production costs and corresponding prevailing market prices.

- Tariff changes reflected in Attachments 4, 5, and 6 of the March 1, 2019 joint comments in Docket No. E999/CI-03-802.
- Discontinuation of Xcel's reporting of Part H, Section 4 narrative and Schedule 1 (transformers); Part I (MISO Day 1); Part J, Section 5, Schedules 1, 3-6 (MISO Day 2); Part K, Section 5, Schedule 3 (transformer maintenance); Part K, Section 4, Schedule 3 (designated resource planning for MISO).

On May 3, 2021, Minnesota Power filed its [2022 Forecasted Fuel and Purchased Energy Report](#) for approval of fuel rates for 2022 in Docket No. E015/AA-21-312. On December 2, 2021, the Commission issued its [Order](#) approving the following for Minnesota Power:

1. Authorized Minnesota Power to implement its 2022 Fuel Clause Adjustment (FCA) forecast, based on forecasted sales of 8,763,862 megawatt-hours (MWh) and forecasted fuel costs of \$229,065,935.
2. Required Minnesota Power to submit a compliance filing with revised tariff sheets and supporting calculations within 10 days of the Commission's Order in Docket No. E015/AA-21-312 for implementation effective January 1, 2022.
3. Required Minnesota Power to file a request to modify the approved fuel rate as soon as practicable, if during 2022 Minnesota Power experiences an impact on all FCA costs and revenues of plus or minus 5% or larger. Minnesota Power will then be required to implement the revised rates, subject to a full refund, following a 30-day notice period, if no party objects to the revised rate.

On May 2, 2022, Minnesota Power filed its [2023 Forecasted Fuel and Purchased Energy Report](#) for approval of fuel rates for 2023 in Docket No. E015/AA-22-216. On December 8, 2022, the Commission issued its [Order](#) approving the following for Minnesota Power:

1. Authorized Minnesota Power to implement its Revised 2023 FCA forecast, based on forecasted sales of 8,815,400 kWh and forecasted fuel costs of \$294,446,791.

2. Required Minnesota Power to make a compliance filing with redlined and clean versions of the Fuel and Purchased Energy Rider Tariff sheet with supporting calculations, within 10 days of the date of this for implementation effective January 1, 2023.
3. Delegated authority to the Executive Secretary to approve the contents of any subsequent customer notice and rate schedule in this proceeding.
4. Ordered Minnesota Power to file a revised 2023 forecast that incorporates 2023/2024 MISO Planning Resource Auction credit/revenue, if applicable, once results are known, and incorporate them into rates the first of the month following the revised 2023 forecast filing, waving the 30-day notice under a significant event filing.

On May 1, 2023, Minnesota Power filed its [2024 Forecasted Fuel and Purchased Energy Report](#) for approval of fuel rates for 2024 in Docket No. E015/AA-23-180. On November 9, 2023, the Commission issued its [Order](#) approving the following for Minnesota Power:

1. Approved Minnesota Power's Annual Forecasted Fuel and Purchased Energy Rates for the Calendar Year 2024, subject to a subsequent true-up.
2. Required Minnesota Power to make a compliance filing with a redlined and clean version of the Fuel and Purchased Energy Rider Tariff sheet with 10 days of the Commission's Order.

On May 1, 2024, Minnesota Power filed its [2025 Forecasted Fuel and Purchased Energy Report](#) for approval of fuel rates for 2025 in Docket No. E015/AA-24-64. On November 8, 2024, the Commission issued its [Order](#) approving the following for Minnesota Power:

1. Approved Minnesota Power's Annual Forecast of Automatic Adjustment Charges for the period: January, 2025 through December, 2025, subject to a subsequent true-up.
2. Required Minnesota Power to make a compliance filing with redlined and clean versions of the Fuel and Purchased Energy Rider Tariff sheet with supporting calculations, within 10 days of the date of this Order for implementation effective January 1, 2025.



Minnesota Department of Commerce
85 7th Place East | Suite 280 | St. Paul, MN 55101
Information Request

Docket Number: E015/AA-25-64
Requested From: Minnesota Power
Type of Inquiry: Financial

☐ Nonpublic ☒ Public
Date of Request: 6/6/2025
Response Due: 6/16/2025

SEND RESPONSE VIA EMAIL TO: Utility.Discovery@state.mn.us as well as the assigned analyst(s).

Assigned Analyst(s): Justin Taylor
Email Address(es): justin.taylor@state.mn.us
Phone Number(s): 651-539-1031

ADDITIONAL INSTRUCTIONS:

Each response must be submitted as a text searchable PDF, unless otherwise directed. Please include the docket number, request number, and respondent name and title on the answers. If your response contains Trade Secret data, please include a public copy.

Request Number:	2
Topic:	Costs Recovered Through Inter-System Sales Breakdown
Reference(s):	Excel Spreadsheet Attachment 1, "FAC Calculation" – MISO, Reagents, and NOx Costs

Request:

Please provide a breakdown of MISO, NOx, and Reagent costs in Excel Attachment 1 "FAC Calculation" under reference line 7 "MISO, Reagents, and NOx Costs that total \$7,369,735 for the 2026 forecast.

Response:

DOC IR 0002.01 Attach contains the breakdown of MISO, NOx, and Reagent costs in Excel Attachment 1 "FAC Calculation" under reference line 7 "MISO, Reagents, and NOx Costs that total \$7,369,735 for the 2026 forecast.

DOC IR 0002.01 Attach

Inter-System Sales- MISO, Reagent, and NOx Costs														
		Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Total
MISO, Reagent, NOx Recovered thru Market Sales	Total Cost	\$ 1,015,872	\$ 819,216	\$ 521,969	\$ 831,500	\$ 523,263	\$ 517,081	\$ 562,514	\$ 505,509	\$ 209,958	\$ 541,755	\$ 654,042	\$ 667,054	\$ 7,369,735
	MISO Costs	\$ 930,850	\$ 754,378	\$ 476,901	\$ 768,502	\$ 469,138	\$ 444,562	\$ 495,264	\$ 443,733	\$ 185,163	\$ 480,661	\$ 582,931	\$ 607,404	\$ 6,639,489
	Reagent Costs	\$ 85,022	\$ 64,838	\$ 45,068	\$ 62,998	\$ 54,125	\$ 72,520	\$ 67,250	\$ 61,777	\$ 24,795	\$ 61,094	\$ 71,110	\$ 59,649	\$ 730,246
	NOx Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Inter-System Sales- MISO, Reagent, NOx Costs (Dollars)		\$ 1,015,872	\$ 819,216	\$ 521,969	\$ 831,500	\$ 523,263	\$ 517,081	\$ 562,514	\$ 505,509	\$ 209,958	\$ 541,755	\$ 654,042	\$ 667,054	\$ 7,369,735

TRADE SECRET DATA HAS BEEN REDACTED



Minnesota Department of Commerce
85 7th Place East | Suite 280 | St. Paul, MN 55101
Information Request

Docket Number: E015/AA-25-64
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Date of Request: 6/6/2025
Response Due: 6/16/2025

SEND RESPONSE VIA EMAIL TO: Utility.Discovery@state.mn.us as well as the assigned analyst(s).

Assigned Analyst(s): Justin Taylor
Email Address(es): justin.taylor@state.mn.us
Phone Number(s): 651-539-1031

ADDITIONAL INSTRUCTIONS:

Each response must be submitted as a text searchable PDF, unless otherwise directed. Please include the docket number, request number, and respondent name and title on the answers. If your response contains Trade Secret data, please include a public copy.

Request Number: 5
Topic: 2026 Unplanned and Planned Outage Forecast
Reference(s): Petition, Attachment No. 5, p. 3 of 3

Request:

- a. Please explain the 2026 forecasted unplanned outage incremental cost [REDACTED] the 2022 through 2024 year average.
- b. Please explain the 2026 forecasted planned outage incremental cost [REDACTED] the 2022 through 2024 year average.

Response:

Some of the information contained in this response constitutes information Minnesota Power considers to be trade secret, as defined by Minn. Stat. § 13.37, subd. 1(b). This information has important economic value to Minnesota Power as a result of this information remaining not public, and Minnesota Power has taken reasonable precautions to maintain its confidentiality.

- a) The main drivers of the 2026 forecasted unplanned outage incremental cost [REDACTED] the 2022 through 2024 year average is due to an [REDACTED] than what was forecasted in 2022-2024. The total incremental unplanned

Response Date: 6/16/2025
Response by: Ryan LaCoursiere
Email Address: rlacoursiere@mnpower.com
Phone Number: 218-355-3678



Minnesota Department of Commerce
85 7th Place East | Suite 280 | St. Paul, MN 55101
Information Request

Docket Number: E015/AA-25-64
Requested From: Minnesota Power
Type of Inquiry: Financial

☒ Nonpublic ☐ Public
Date of Request: 6/6/2025
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Assigned Analyst(s): Justin Taylor
Email Address(es): justin.taylor@state.mn.us
Phone Number(s): 651-539-1031

ADDITIONAL INSTRUCTIONS:

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outage costs of [REDACTED]
[REDACTED] the actual average incremental outage costs experienced from 2022 through 2024.

- b) The main driver of the 2026 forecasted planned outage incremental cost [REDACTED] the 2022 through 2024 year average is [REDACTED] market prices during the [REDACTED]. The market prices during the [REDACTED] are expected to be [REDACTED]. The market prices expected in the [REDACTED]

CERTIFICATE OF SERVICE

I, Sharon Ferguson, hereby certify that I have this day, served copies of the following document on the attached list of persons by electronic filing, certified mail, e-mail, or by depositing a true and correct copy thereof properly enveloped with postage paid in the United States Mail at St. Paul, Minnesota.

**Minnesota Department of Commerce
Public Comments**

Docket No. E015/AA-25-64

Dated this **25th** day of **June 2025**

/s/Sharon Ferguson

#	First Name	Last Name	Email	Organization	Agency	Address	Delivery Method	Alternate Delivery Method	View Trade Secret	Service List Name
1	Kevin	Adams	kadams@caprw.org	Community Action Partnership of Ramsey & Washington Counties		450 Syndicate St N Ste 35 Saint Paul MN, 55104 United States	Electronic Service		No	AA-25-64
2	Jorge	Alonso	jorge.alonso@state.mn.us		Public Utilities Commission	121 7th Place East Suite 350 St. Paul MN, 55101 United States	Electronic Service		No	AA-25-64
3	Lori	Andresen	info@sosbluewaters.org	Save Our Sky Blue Waters		P.O. Box 3661 Duluth MN, 55803 United States	Electronic Service		No	AA-25-64
4	Jessica L	Bayles	jessica.bayles@stoel.com	Stoel Rives LLP		1150 18th St NW Ste 325 Washington DC, 20036 United States	Electronic Service		No	AA-25-64
5	Jason	Bonnett	jason.bonnett@state.mn.us		Public Utilities Commission	121 East 7th Place suite 350 St. Paul MN, 55101 United States	Electronic Service		No	AA-25-64
6	Elizabeth	Brama	ebrama@taftlaw.com	Taft Stettinius & Hollister LLP		2200 IDS Center 80 South 8th Street Minneapolis MN, 55402 United States	Electronic Service		No	AA-25-64
7	Jon	Brekke	jbrekke@grenergy.com	Great River Energy		12300 Elm Creek Boulevard Maple Grove MN, 55369-4718 United States	Electronic Service		No	AA-25-64
8	Matthew	Brodin	mbrodin@allete.com	Minnesota Power		30 West Superior Street Duluth MN, 55802 United States	Electronic Service		No	AA-25-64
9	Christina	Brusven	cbrusven@fredlaw.com	Fredrikson Byron		60 S 6th St Ste 1500 Minneapolis MN, 55402-4400 United States	Electronic Service		No	AA-25-64
10	Jennifer	Cady	jjcady@mnpower.com	Minnesota Power		30 W Superior St Duluth MN, 55802 United States	Electronic Service		No	AA-25-64
11	David	Cartella	david.cartella@cliffsnr.com	Cliffs Natural Resources Inc.		200 Public Square Ste 3300 Cleveland OH, 44114-2315 United States	Electronic Service		No	AA-25-64
12	Greg	Chandler	greg.chandler@upm.com	UPM Blandin Paper		115 SW First St Grand Rapids MN, 55744 United States	Electronic Service		No	AA-25-64
13	Steve W.	Chriss	stephen.chriss@walmart.com	Wal-Mart		2001 SE 10th St. Bentonville AR, 72716-	Electronic Service		No	AA-25-64

#	First Name	Last Name	Email	Organization	Agency	Address	Delivery Method	Alternate Delivery Method	View Trade Secret	Service List Name
						5530 United States				
14	Generic	Commerce Attorneys	commerce.attorneys@ag.state.mn.us		Office of the Attorney General - Department of Commerce	445 Minnesota Street Suite 1400 St. Paul MN, 55101 United States	Electronic Service		Yes	AA-25-64
15	MP Regulatory	Compliance	mpregulatorycompliance@mnpower.com	Minnesota Power		30 W Superior St. Duluth MN, 55802 United States	Electronic Service		No	AA-25-64
16	Hillary	Creurer	hcreurer@allete.com	Minnesota Power		30 W Superior St Duluth MN, 55802 United States	Electronic Service		No	AA-25-64
17	Patrick	Cutshall	pcutshall@allete.com	Minnesota Power		30 West Superior Street Duluth MN, 55802 United States	Electronic Service		No	AA-25-64
18	Lisa	Daniels	lisadaniels@windustry.org	Windustry		201 Ridgewood Ave Minneapolis MN, 55403 United States	Electronic Service		No	AA-25-64
19	Richard	Dornfeld	richard.dornfeld@ag.state.mn.us		Office of the Attorney General - Department of Commerce	Minnesota Attorney General's Office 445 Minnesota Street, Suite 1800 Saint Paul MN, 55101 United States	Electronic Service		No	AA-25-64
20	J.	Drake Hamilton	hamilton@fresh-energy.org	Fresh Energy		408 St Peter St Ste 350 Saint Paul MN, 55101 United States	Electronic Service		No	AA-25-64
21	Brian	Edstrom	briane@cubminnesota.org	Citizens Utility Board of Minnesota		332 Minnesota St Ste W1360 Saint Paul MN, 55101 United States	Electronic Service		No	AA-25-64
22	Ron	Elwood	relwood@mnlisap.org	Legal Services Advocacy Project		970 Raymond Avenue Suite G-40 Saint Paul MN, 55114 United States	Electronic Service		No	AA-25-64
23	Sharon	Ferguson	sharon.ferguson@state.mn.us		Department of Commerce	85 7th Place E Ste 280 Saint Paul MN, 55101-2198 United States	Electronic Service		No	AA-25-64
24	Frank	Frederickson	ffrederickson@mnpower.com	Minnesota Power		30 W Superior St. Duluth MN, 55802 United States	Electronic Service		No	AA-25-64
25	Edward	Garvey	garveyed@aol.com	Residence		32 Lawton St Saint Paul MN, 55102 United States	Electronic Service		No	AA-25-64

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27	Barbara	Gervais	toftemn@boreal.org	Town of Tofte		P O Box 2293 7240 Tofte Park Road Tofte MN, 55615 United States	Electronic Service		No	AA-25-64
28	Jerome	Hall	hallj@stlouiscountymn.gov	Saint Louis County Property Mgmt Dept		Duluth Courthouse 100 N 5th Ave W Rm 515 Duluth MN, 55802-1209 United States	Electronic Service		No	AA-25-64
29	Adam	Heinen	aheinen@dakotaelectric.com	Dakota Electric Association		4300 220th St W Farmington MN, 55024 United States	Electronic Service		No	AA-25-64
30	Annete	Henkel	mui@mnutilityinvestors.org	Minnesota Utility Investors		413 Wacouta Street #230 St. Paul MN, 55101 United States	Electronic Service		No	AA-25-64
31	Valerie	Herring	vherring@taftlaw.com	Taft Stettinius & Hollister LLP		2200 IDS Center 80 S. Eighth Street Minneapolis MN, 55402 United States	Electronic Service		No	AA-25-64
32	Katherine	Hinderlie	katherine.hinderlie@ag.state.mn.us		Office of the Attorney General - Residential Utilities Division	445 Minnesota St Suite 1400 St. Paul MN, 55101-2134 United States	Electronic Service		No	AA-25-64
33	Lori	Hoyum	lhoyum@mnpower.com	Minnesota Power		30 West Superior Street Duluth MN, 55802 United States	Electronic Service		No	AA-25-64
34	James	Jarvi		Minnesota Ore Operations - U S Steel		P O Box 417 Mountain Iron MN, 55768 United States	Paper Service		No	AA-25-64
35	Alan	Jenkins	aj@jenkinsatlaw.com	Jenkins at Law		2950 Yellowtail Ave. Marathon FL, 33050 United States	Electronic Service		No	AA-25-64
36	Kelsey	Johnson	kjohnson@taconite.org	Iron Mining Association of Minnesota		1003 Discovery Drive Chisholm MN, 55719 United States	Electronic Service		No	AA-25-64
37	Richard	Johnson	rick.johnson@lawmoss.com	Moss & Barnett		150 S. 5th Street Suite 1200 Minneapolis MN, 55402 United States	Electronic Service		No	AA-25-64
38	Sarah	Johnson Phillips	sjphillips@stoel.com	Stoel Rives LLP		33 South Sixth Street Suite 4200	Electronic Service		No	AA-25-64

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39	Nick	Kaneski	nick.kaneski@enbridge.com	Enbridge Energy Company, Inc.		11 East Superior St Ste 125 Duluth MN, 55802 United States	Electronic Service		No	AA-25-64
40	Nicolas	Kaylor	nkaylor@mojlaw.com			120 South 6th St Ste 2400 Minneapolis MN, 55402 United States	Electronic Service		No	AA-25-64
41	Travis	Kolari		Keetac		PO Box 217 Keewatin MN, 55753 United States	Paper Service		No	AA-25-64
42	Michael	Krikava	mkrikava@taftlaw.com	Taft Stettinius & Hollister LLP		2200 IDS Center 80 S 8th St Minneapolis MN, 55402 United States	Electronic Service		No	AA-25-64
43	Becky	Lammi	cityclerk@ci.aurora.mn.us	City of Aurora		16 W 2nd Ave N PO Box 160 Aurora MN, 55705 United States	Electronic Service		No	AA-25-64
44	Carmel	Laney	carmel.laney@stoel.com	Stoel Rives LLP		33 South Sixth Street Suite 4200 Minneapolis MN, 55402 United States	Electronic Service		No	AA-25-64
45	David	Langmo	david.langmo@sappi.com	Sappi North America		P O Box 511 2201 Avenue B Cloquet MN, 55720 United States	Electronic Service		No	AA-25-64
46	Emily	Larson	elarson@duluthmn.gov	City of Duluth		411 W 1st St Rm 403 Duluth MN, 55802 United States	Electronic Service		No	AA-25-64
47	James D.	Larson	james.larson@avantenergy.com	Avant Energy Services		220 S 6th St Ste 1300 Minneapolis MN, 55402 United States	Electronic Service		No	AA-25-64
48	Annie	Levenson Falk	annielf@cubminnesota.org	Citizens Utility Board of Minnesota		332 Minnesota Street, Suite W1360 St. Paul MN, 55101 United States	Electronic Service		No	AA-25-64
49	LeRoger	Lind	llind@yahoo.com	Save Lake Superior Association		P.O. Box 101 Two Harbors MN, 55616 United States	Electronic Service		No	AA-25-64
50	Eric	Lindberg	elindberg@mncenter.org	Minnesota Center for Environmental Advocacy		1919 University Avenue West Suite 515 Saint Paul MN, 55104-3435 United States	Electronic Service		No	AA-25-64
51	Eric	Lipman	eric.lipman@state.mn.us		Office of Administrative	PO Box 64620	Electronic Service		No	AA-25-64

#	First Name	Last Name	Email	Organization	Agency	Address	Delivery Method	Alternate Delivery Method	View Trade Secret	Service List Name
65	James	Mortenson	james.mortenson@state.mn.us		Office of Administrative Hearings	PO BOX 64620 St. Paul MN, 55164-0620 United States	Electronic Service		No	AA-25-64
66	Evan	Mulholland	emulholland@mncenter.org	Minnesota Center for Environmental Advocacy		1919 University Ave W Ste 515 Saint Paul MN, 55101 United States	Electronic Service		No	AA-25-64
67	Travis	Murray	travis.murray@ag.state.mn.us		Office of the Attorney General - Residential Utilities Division	445 Minnesota St Ste 1400 Saint Paul MN, 55101 United States	Electronic Service		No	AA-25-64
68	David	Niles	david.niles@avantenergy.com	Minnesota Municipal Power Agency		220 South Sixth Street Suite 1300 Minneapolis MN, 55402 United States	Electronic Service		No	AA-25-64
69	Michael	Noble	noble@fresh-energy.org	Fresh Energy		408 Saint Peter St Ste 350 Saint Paul MN, 55102 United States	Electronic Service		No	AA-25-64
70	Rolf	Nordstrom	rnordstrom@gpsd.net	Great Plains Institute		2801 21ST AVE S STE 220 Minneapolis MN, 55407-1229 United States	Electronic Service		No	AA-25-64
71	M. William	O'Brien	bobrien@mojlaw.com	Miller O'Brien Jensen, P.A.		120 S 6th St Ste 2400 Minneapolis MN, 55402 United States	Electronic Service		No	AA-25-64
72	Christopher J.	Oppitz		-		PO Box 910 Park Rapids MN, 56470-0910 United States	Paper Service		No	AA-25-64
73	Elanne	Palcich	epalcich@cpinternet.com	Save Our Sky Blue Waters		P.O. Box 3661 Duluth MN, 55803 United States	Electronic Service		No	AA-25-64
74	Max	Peters	maxp@cohasset-mn.com	City of Cohasset		305 NW First Ave Cohasset MN, 55721 United States	Electronic Service		No	AA-25-64
75	Jennifer	Peterson	jjpeterson@mnpower.com	Minnesota Power		30 West Superior Street Duluth MN, 55802 United States	Electronic Service		No	AA-25-64
76	Marcia	Podratz	mpodratz@mnpower.com	Minnesota Power		30 W Superior S Duluth MN, 55802 United States	Electronic Service		No	AA-25-64
77	Tolaver	Rapp	tolaver.rapp@cliffsnr.com	Cliffs Natural Resources		200 Public Square Suite 3400 Cleveland OH, 44114-2318 United States	Electronic Service		No	AA-25-64

#	First Name	Last Name	Email	Organization	Agency	Address	Delivery Method	Alternate Delivery Method	View Trade Secret	Service List Name
78	Generic Notice	Residential Utilities Division	residential.utilities@ag.state.mn.us		Office of the Attorney General - Residential Utilities Division	1400 BRM Tower 445 Minnesota St St. Paul MN, 55101-2131 United States	Electronic Service		Yes	AA-25-64
79	Kevin	Reuther	kreuther@mncenter.org	MN Center for Environmental Advocacy		26 E Exchange St, Ste 206 St. Paul MN, 55101-1667 United States	Electronic Service		No	AA-25-64
80	Ralph	Riberich	rriberich@uss.com	United States Steel Corp		600 Grant St Ste 2028 Pittsburgh PA, 15219 United States	Electronic Service		No	AA-25-64
81	Buddy	Robinson	buddy@citizensfed.org	Minnesota Citizens Federation NE		2110 W. 1st Street Duluth MN, 55806 United States	Electronic Service		No	AA-25-64
82	Santi	Romani		United Taconite		PO Box 180 Eveleth MN, 55734 United States	Paper Service		No	AA-25-64
83	Susan	Romans	sromans@allete.com	Minnesota Power		30 West Superior Street Legal Dept Duulth MN, 55802 United States	Electronic Service		No	AA-25-64
84	Peter	Scholtz	peter.scholtz@ag.state.mn.us		Office of the Attorney General - Residential Utilities Division	Suite 1400 445 Minnesota Street St. Paul MN, 55101-2131 United States	Electronic Service		No	AA-25-64
85	Robert H.	Schulte	rhs@schulteassociates.com	Schulte Associates LLC		1742 Patriot Rd Northfield MN, 55057 United States	Electronic Service		No	AA-25-64
86	Christine	Schwartz	regulatory.records@xcelenergy.com	Xcel Energy		414 Nicollet Mall, MN1180-07-MCA Minneapolis MN, 55401-1993 United States	Electronic Service		No	AA-25-64
87	Will	Seuffert	will.seuffert@state.mn.us		Public Utilities Commission	121 7th PI E Ste 350 Saint Paul MN, 55101 United States	Electronic Service		Yes	AA-25-64
88	Janet	Shaddix Elling	jshaddix@janetshaddix.com	Shaddix And Associates		7400 Lyndale Ave S Ste 190 Richfield MN, 55423 United States	Electronic Service		No	AA-25-64
89	Doug	Shoemaker	dougs@charter.net	Minnesota Renewable Energy		2928 5th Ave S Minneapolis MN, 55408 United States	Electronic Service		No	AA-25-64

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90	Brett	Skyles	brett.skyles@co.itasca.mn.us	Itasca County		123 NE Fourth Street Grand Rapids MN, 55744-2600 United States	Electronic Service		No	AA-25-64
91	Richard	Staffon	rcstaffon@msn.com	W. J. McCabe Chapter, Izaak Walton League of America		1405 Lawrence Road Cloquet MN, 55720 United States	Electronic Service		No	AA-25-64
92	James M	Strommen	jstrommen@kennedy-graven.com	Kennedy & Graven, Chartered		150 S 5th St Ste 700 Minneapolis MN, 55402 United States	Electronic Service		No	AA-25-64
93	Robert	Tammen	bobtammen@frontiernet.net			PO Box 398 Soudan MN, 55782 United States	Electronic Service		No	AA-25-64
94	Jim	Tieberg	jtieberg@polymetmining.com	PolyMet Mining, Inc.		PO Box 475 County Highway 666 Hoyt Lakes MN, 55750 United States	Electronic Service		No	AA-25-64
95	Stuart	Tommerdahl	stommerdahl@otpc.com	Otter Tail Power Company		215 S Cascade St PO Box 496 Fergus Falls MN, 56537 United States	Electronic Service		No	AA-25-64
96	Claire	Vatalaro	cvatalaro@allete.com	Allete		30 W Superior St Duluth MN, 55802 United States	Electronic Service		No	AA-25-64
97	Kodi	Verhalen	kverhalen@taftlaw.com	Taft Stettinius & Hollister LLP		80 S 8th St Ste 2200 Minneapolis MN, 55402 United States	Electronic Service		No	AA-25-64
98	Kevin	Walli	kwalli@fryberger.com	Fryberger, Buchanan, Smith & Frederick		380 St. Peter St Ste 710 St. Paul MN, 55102 United States	Electronic Service		No	AA-25-64
99	Laurie	Williams	laurie.williams@sierraclub.org	Sierra Club		Environmental Law Program 1536 Wynkoop St Ste 200 Denver CO, 80202 United States	Electronic Service		No	AA-25-64
100	Scott	Zahorik	scott.zahorik@aeoa.org	Arrowhead Economic Opportunity Agency		702 S. 3rd Avenue Virginia MN, 55792 United States	Electronic Service		No	AA-25-64