



*Debbra A. Davey  
Supervisor, Accounting*

*218-355-3714  
email: ddavey@allete.com*

August 22, 2019

**VIA ELECTRONIC FILING**

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

RE: In the Matter of Minnesota Power's 2019  
Remaining Life Depreciation Petition  
**Docket No. E015/D-19-\_\_\_\_\_**

Dear Mr. Wolf:

Minnesota Power hereby electronically submits its 2019 Remaining Life Depreciation Petition. Please contact me at the number above if you have any questions regarding this filing.

Sincerely,

Debbra A. Davey

DAD:sr  
Attach.  
cc: Minnesota Power's General Service List

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

---

---

In the Matter of Minnesota Power's  
2019 Remaining Life Depreciation  
Petition

---

---

Docket No. E015/D-19-\_\_\_\_

**Initial Filing**

---

---

**SUMMARY**

Pursuant to Minn. Stat. §§ 216B.08 and 216B.11, and Minn. Rules 7825.0600 and 7825.0700, Minnesota Power hereby petitions the Minnesota Public Utilities Commission (“Commission”) for approval of its 2019 Remaining Life Depreciation Petition (“Petition”). This Petition establishes the 2019 remaining lives and salvage rates for all of Minnesota Power’s production plant assets, along with general plant account 3900. The remaining lives and salvage rates will be used to determine depreciation expense for these assets effective January 1, 2019.

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

---

---

In the Matter of Minnesota Power's  
2019 Remaining Life Depreciation  
Petition

Docket No. E015/D-19-\_\_\_\_  
**Initial Filing**

---

---

**I. INTRODUCTION**

Minnesota Power (or “the Company”) hereby petitions the Minnesota Public Utilities Commission (“Commission”) for approval of its 2019 Remaining Life Depreciation Petition (“Petition”). Minnesota Power is requesting that the remaining lives of all facilities be adjusted for one year’s passage of time, except for general plant account 3900, and proposes no changes to salvage rates.

In the Commission’s January 14, 2019 Order in the matter of Minnesota Power’s 2018 Remaining Life Depreciation Petition (Docket No. E-015/D-18-544), the Company was ordered to include in its next depreciation petition a proposal to depreciate the largest structures included in plant account 390 Structures and Improvements individually, while continuing to apply group depreciation to the smaller structures in the account, that explains how Minnesota Power will:

- A. determine which structures should be removed from the group to be depreciated separately, and which should remain in the group;
- B. allocate the existing depreciation reserve among structures that should be removed from the larger group and those that remain in the group;
- C. determine the remaining lives for structures that should be removed from the group and the remaining life for the group.

Please see Appendix B for answers to A. and C. For B., Minnesota Power uses PowerPlan and during each month-end close PowerPlan continuing property ledger reserve allocation factors are calculated to provide reporting of net book value for assets. These monthly

calculations provide the accumulated depreciation by asset. Each asset has a location assigned to it in PowerPlan. Therefore, using those calculations we can identify the accumulated reserve by location. In 2019 new depreciation groups were set up for each of the locations on page 12 below and the assets for each of these locations were transferred to the new depreciation groups. This will make it easier and faster to provide the accumulated depreciation by location going forward.

The proposed changes result in an estimated decrease to 2019 annual depreciation expense of about \$64,000 when compared to 2018 rates and lives.

## II. PROCEDURAL REQUIREMENTS

Pursuant to Minn. Rules 7825.3200, 7825.3500 and 7829.1300, subp. 3, Minnesota Power provides the following required information.

- A. Name, Address and Telephone Number of Utility (Minn. Rules 7825.3500(A) and 7829.1300, subp. 3(A))

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

- B. Name, Address and Telephone Number of Utility Attorney (Minn. Rules 7825.3500(A) and 7829.1300, subp. 3(B))

David R. Moeller  
Senior Attorney  
Minnesota Power  
30 West Superior Street  
Duluth, MN 55802  
(218) 723-3963  
[dmoeller@allete.com](mailto:dmoeller@allete.com)

- C. Date of Filing and Date Proposed Rates Take Effect (Minn. Rules 7825.3500(B) and 7829.1300, subp. 3(C))

This Petition is being filed on August 22, 2019. Minnesota Power respectfully requests that the Commission approve the Petition, with depreciation rates to become effective as of January 1, 2019.

- D. Statute Controlling Schedule for Processing the Filing (Minn. Rules 7829.1300, subp. 3(D))

This Petition is made in accordance with Minn. Stat. § 216B.11 and prior Commission orders. No statutorily imposed time frame for a Commission decision applies to this filing.

E. Utility Employee Responsible for Filing (Minn. Rules 7825.3500(E) and 7829.1300, subp. 3(E))

Debbra A. Davey  
Supervisor, Accounting  
Minnesota Power  
30 West Superior Street  
Duluth, MN 55802  
(218) 355-3714  
ddavey@allete.com

F. Service List

Pursuant to Minn. Rules 7829.0700, Minnesota Power requests that the following persons be placed on the Commission's official service list for this matter:

David R. Moeller  
Senior Attorney  
Minnesota Power  
30 West Superior Street  
Duluth, MN 55802  
dmoeller@allete.com

Debbra A. Davey  
Supervisor, Accounting  
Minnesota Power  
30 West Superior Street  
Duluth, MN 55802  
ddavey@allete.com

G. Service on Other Parties

Pursuant to Minn. Stat. § 216.17, subd. 3 and Minn. Rules 7829.1300, subp. 2, Minnesota Power has eFiled this Petition with the Department of Commerce, Division of Energy Resources and served a copy on the Antitrust and Utilities Division of the Office of Attorney General. A summary of the filing prepared in accordance with Minn. Rules 7829.1300, subp. 1 is being served on all parties on Minnesota Power's general service list.

H. Summary of Filing

A one-paragraph summary accompanies this Petition pursuant to Minn. Rules 7829.1300, subp. 1.

### III. REMAINING LIFE ADJUSTMENTS

Minnesota Power has reviewed its remaining lives and salvage value estimates for thermal, hydroelectric, wind, and solar production facilities. The Company has determined that the remaining lives of all facilities should be adjusted for one year's passage of time and proposes no changes to salvage rates.

On September 1, 2015, Minnesota Power filed its 2015 Integrated Resource Plan ("2015 Plan") for the years 2015 to 2029 in Docket No. E015/RP-15-690. The Commission approved Minnesota Power's 2015 Plan on July 18, 2016. For purposes of this Petition, Minnesota Power is utilizing the information and forecast periods provided in the approved 2015 Plan. Appendix C of the 2015 Plan specifically addresses Minnesota Power's fossil generation resources. Minnesota Power will file its next integrated resource plan by October 1, 2020.

The following schedule indicates proposed remaining lives in number of years, proposed salvage rates, proposed end of lives, and 2015 Plan end of lives of the facilities.

	Proposed Remaining Lives (Years)	Proposed Salvage Rates	Proposed End of Lives	2015 IRP End of Lives
<u>Thermal Production Plants</u>				
Hibbard Renewable Energy Center	11.0	(2.11%)	12/2029	2029
Laskin Energy Center	12.0	(24.12%)	12/2030	2030
Boswell Energy Center				
Unit 1	4.0	(16.08%)	12/2022	2024
Unit 2	4.0	(18.06%)	12/2022	2024
Unit 3	17.0	(7.92%)	12/2035	2034
Unit 4	17.0	(7.42%)	12/2035	2035
Common	17.0	(3.95%)	12/2035	2030
Taconite Harbor Energy Center	8.0	(7.23%)	12/2026	2026

	Proposed Remaining Lives (Years)	Proposed Salvage Rates	Proposed End of Lives	2015 IRP End of Lives
<u>Hydroelectric Production Plants</u>				
Prairie River HE Station	45.0	0	12/2063	2063
Thomson HE Station	45.0	0	12/2063	2063
Fond du Lac HE Station	45.0	0	12/2063	2063
Winton HE Station	45.0	0	12/2063	2063
Knife Falls HE Station	45.0	0	12/2063	2063
Scanlon HE Station	45.0	0	12/2063	2063
Little Falls HE Station	45.0	0	12/2063	2063
Blanchard HE Station	45.0	0	12/2063	2063
Sylvan HE Station	45.0	0	12/2063	2063
Pillager HE Station	45.0	0	12/2063	2063
Birch Lake Reservoir	45.0	0	12/2063	2063
Boulder Lake Reservoir	45.0	0	12/2063	2063
Fish Lake Reservoir	45.0	0	12/2063	2063
Island Lake Reservoir	45.0	0	12/2063	2063
Rice Lake Reservoir	45.0	0	12/2063	2063
Whiteface Reservoir	45.0	0	12/2063	2063
Gauging Stations and White Iron Lake Reservoir	45.0	0	12/2063	2063
<u>Other Production Plants</u>				
Taconite Ridge I Wind	24.4	(0.31%)	5/2043	2043
Bison 1 Wind – Phase 1	26.9	(0.95%)	11/2045	2045
Bison 1 Wind – Phase 2	28.0	(0.93%)	12/2046	2046
Bison 2 Wind	29.0	(0.35%)	12/2047	2047
Bison 3 Wind	29.0	(0.42%)	12/2047	2047
Bison 4 Wind	31.0	0.03%	12/2049	2049
Community Solar Garden	22.9	0	11/2041	2041

Minnesota Power will continue to address the reconciliation between remaining lives and the latest approved integrated resource plan (currently the 2015 Plan) in a reasonable and timely manner. The Company received approval of its 2015 Plan on July 18, 2016. As reconciliation issues are addressed, Minnesota Power will review its remaining lives, making any adjustment based on the factors known at that time.

Within the 2015 Plan, Minnesota Power recognized that a key factor in the latter portion of the long-term plan period will be the aging of its generation fleet and



uncertainty of carbon and other environmental compliance policies. The following is a discussion of the Company's production facilities and the proposed remaining lives of these facilities.

### **Regulated Thermal Production Facilities**

#### **Hibbard Renewable Energy Center ("HREC")**

HREC Units 3 and 4, located at the M. L. Hibbard Facility, operate as peaking resources and have been providing a portion of Minnesota Power's spinning reserves since 2004. The estimated remaining life of these units is through 2029 which agrees with the estimated operational life in the 2015 Plan.<sup>1</sup>

#### **Laskin Energy Center ("LEC")**

LEC Units 1 and 2 are sister units – similar in design and intended operation. LEC is treated as one unit and has one remaining life for purposes of computing annual depreciation accruals. Ongoing reinvestment has maintained the units in good overall condition. Minnesota Power completed the conversion of LEC Units 1 and 2 to gas peaking generation facilities in June 2015. On June 20, 2016, the Minnesota Pollution Control Agency approved Minnesota Power's modified LEC ash cell closure plan. The estimated remaining life of LEC is through 2030 which agrees with the estimated operational life in the 2015 Plan.

#### **Taconite Harbor Energy Center ("THEC")**

At THEC, Units 1 and 2 have been fitted with Mobotec multi-emission control technology designed to reduce oxides of nitrogen ("NO<sub>x</sub>"), sulfur dioxide ("SO<sub>2</sub>") and mercury emissions and electrostatic precipitator upgrades to reduce particulate emissions. Minnesota Power treats THEC as one unit with one remaining life for purposes of computing annual depreciation accruals and proposes continuing to treat THEC in this manner. The Company identified that the investment in retrofit technology for THEC Unit 3 is not in the best interest of its customers. To protect affordability for customers in

---

<sup>1</sup> Order Point 6 of the Commission's March 12, 2018 Order in Docket No. E015/GR-16-664 approved extending the depreciation life of HREC to 2029 to match the economic life in the Company's current integrated resource plan.

the near term and further reduce emissions in the region, Minnesota Power ceased coal operation for THEC Unit 3 in May 2015. Minnesota Power announced on July 9, 2015, the Company's plan to cease coal operations at THEC Units 1 and 2 in 2020 and economically idle THEC Units 1 and 2 in the fall of 2016.<sup>2</sup> Minnesota Power requests that the remaining net plant balances of all THEC units be recovered over the current remaining life of the plant, which is 2026. The estimated remaining life of 2026 agrees with the estimated operational life in the 2015 Plan.

#### Boswell Energy Center (BEC)

BEC Units 1 and 2 ("BEC1&2") were retired in December 2018. In September 2014 Minnesota Power reached a settlement with the Environmental Protection Agency ("EPA") regarding Notice of Violations the company received in 2008 and 2011, and entered into a Consent Decree which was approved by the U.S. District Court for the District of Minnesota. Provisions of the Consent Decree require that, by no later than December 31, 2018, BEC1&2 must be retired, refueled, repowered, or emissions rerouted through existing emission control technology at BEC. The company was required to notify the EPA no later than December 31, 2016, whether it will retire, refuel, repower, or reroute BEC1&2. Minnesota Power's 2015 Plan filed with the MPUC on September 1, 2015, outlined Minnesota Power's preferred option to reroute emissions from BEC1&2 through existing emission control technology at BEC3. In the Commission Order for the 2015 Plan, the Commission stated that Minnesota Power has not demonstrated at this time that its proposed investment in SO<sub>2</sub> reduction at BEC1&2 is reasonable. In addition, the Commission ordered Minnesota Power to retire BEC1&2 when sufficient energy and capacity are available, but no later than 2022. As a result of the Provision of the Consent Decree and the Commission not supporting Minnesota Power's preferred option to reroute emissions from BEC1&2 filed in the 2015 Plan, BEC1&2 were retired in December 2018.

---

<sup>2</sup> Order Point 3 of the Commission's July 18, 2016 Order in Docket No. E015/RP-15-690 approved idling of Taconite Harbor Energy Center Units 1 and 2 in 2016 while retaining the ability to restart them to address reliability or emergency needs on the transmission system.

In the Commission's January 14, 2019 Order in the matter of Minnesota Power's 2018 Remaining Life Depreciation Petition (Docket No. E-015/D-18-544), the Commission approved remaining lives of five years as of January 1, 2018, for BEC1&2, based on a retirement year of 2022. When Minnesota Power retired BEC1&2 in December 2018, the remaining balances were transferred to regulated assets and the regulated assets are being amortized through 2022. Please see Appendix A-5 for an estimated amortization schedule through 2022 for BEC1&2.

BEC3 provides base load energy operating at a high load factor. BEC3 operates with the most mature, commercially available technology to significantly reduce emissions of mercury and well-established control technologies that have the ability to meet Best Available Control Technology performance standards to significantly reduce NO<sub>x</sub>, SO<sub>2</sub> and particulate matter.

In 2018, as ordered by the Commission in order point 3. of Minnesota Power's 2018 Remaining Life Depreciation Petition (Docket No. E-015/D-18-544) supplemental depreciation expense of \$0.9 million was recorded, of the \$2.8 million total, to reflect one year of amortization for Boswell Unit 3 and Boswell Common.

BEC4 provides base load energy operating at a high load factor and is jointly-owned by Minnesota Power (80 percent) and WPPI Energy (20 percent). The unit operates with NO<sub>x</sub> emission reduction control systems including low NO<sub>x</sub> burners and selective non-catalytic reduction, along with a high efficiency turbine rotor. Minnesota Power completed the environmental retrofit project on BEC4 in December 2015 as a multi-pollutant solution for reducing mercury, particulate matter, sulfur dioxide, and other hazardous air pollutants being addressed by EPA regulations while also reducing plant wastewater contemplated for regulation under EPA's Effluent Limit Guidelines. Minnesota Power installed a semi-dry flue gas desulfurization system, fabric filter and powder activated carbon injection system to achieve compliance with the Minnesota Mercury Emission Reduction Act ("MERA"), the EPA Mercury and Air Toxics Rule, and other enacted or pending federal and state environmental rulemakings regulating air and water emissions and solid byproducts from coal-fired power plants. Through multi-pollutant control technology, Minnesota Power is cost-effectively achieving the mercury

emission reduction required by MERA while positioning the facility for compliance with other regulatory programs over the long term.

BEC1&2 regulated assets are being amortized through 2022 which is two years less than the estimated operational life of 2024 in the 2015 Plan. The estimated remaining lives of BEC3, BEC4, and BEC Common are all 2035. These 2035 lives are equal to or beyond the estimated operational lives of these BEC facilities in the 2015 Plan.

### **Hydroelectric Production Facilities**

All of Minnesota Power's hydroelectric facilities hold FERC (Federal Energy Regulatory Commission) licenses and the facilities are being maintained in accordance with the terms of these licenses. The reservoirs, dams and gauging stations are expected to have a useful economic and operating life matching that of the hydro stations they support. All of the Company's hydroelectric production plant facilities have estimated remaining lives through 2063 which agree with the estimated operational lives in the 2015 Plan.

### **Wind Production Facilities**

Taconite Ridge I Wind Energy Center, a 25 MW wind production facility with ten turbines, was placed in-service in June 2008 and has an estimated remaining life through May 2043. Bison Phase 1, a 36.8 MW wind production facility with sixteen wind turbines, was placed in-service in November 2010 and has an estimated remaining life through November 2045. Bison Phase 2, a 45.0 MW wind production facility with fifteen wind turbines, was placed in-service in December 2011 and has an estimated remaining life through 2046. Bison 2 and 3, which are each a 105 MW wind production facility with thirty-five wind turbines, were placed in-service on December 2012 and have estimated remaining lives through 2047. Bison 4, a 204.8 MW wind production facility with sixty-four wind turbines, was placed in-service in December 2014 and has an estimated remaining life through 2049. These wind facilities are an integral part of the company's renewable plan for obtaining 25 percent of its electricity for its retail customers from renewable energy sources by the year 2025. Minn. Stat. § 216B.1691. The estimated remaining lives noted above of all production assets at these wind facilities agree with the estimated operational lives in the 2015 Plan.

### **Solar Production Facility**

In September 2015, Minnesota Power filed a petition for approval of its Community Solar Garden Pilot Program (Docket No. E015/M-15-825). Minnesota Power received Commission approval with modifications on July 27, 2016. Minnesota Power developed this 40 kW solar generation system as part of the company’s plan for meeting Minnesota’s Solar Energy Standard (“SES”) by the year 2020. This Community Solar Garden Pilot Program project consists of a 40 kW solar generation system on company-owned property in Duluth, Minnesota and was placed in-service at the end of 2016. All production assets of the solar production facility have estimated remaining lives through November 2041 which agrees with the estimated operational life in the 2015 Plan.<sup>3</sup>

### **General Plant Account 3900**

Minnesota Power has also reviewed its remaining lives and salvage value estimates for general plant account 3900-Structures and Improvements. Minnesota Power recommends no change to the salvage rates and the following changes to the proposed end of lives. The current end of life for all of the below is 12/2036.

<u>Location</u>	<u>Proposed Remaining Life (Years)</u>	<u>Proposed Salvage Rates</u>	<u>Proposed End of Life</u>
General Office Building	32	0%	12/2050
Rowe Energy Control Center	32	0%	12/2050
Little Falls Service Center and DC Line Material Storage Facility	32	0%	12/2050

**The long range plan for these facilities is significant planned future investment.**

---

<sup>3</sup> Minnesota Power has \$14,971,360.56 in Property Under a Capital Lease for Camp Ripley, a 10 MW utility scale solar project at the Camp Ripley Minnesota Army National Guard base and training facility near Little Falls, MN (Docket No. E-015/M-15-773). Minnesota Power has the option at the end of the financing term in 2027 to renew for a two-year term, or to purchase the solar array. Minnesota Power anticipates exercising the purchase option when the term expires in 2027.

<u>Location</u>	<u>Proposed Remaining Life (Years)</u>	<u>Proposed Salvage Rates</u>	<u>Proposed End of Life</u>
Herbert Service Center	22	0%	12/2040
Eveleth Service Center	22	0%	12/2040
Sandstone Service Center	22	0%	12/2040
Pine River Service Center	22	0%	12/2040
Misc. Structures & Improvements	22	0%	12/2040

**The long range plan for these facilities is continued operation and upgrades.**

International Falls Service Center	12	0%	12/2030
Cloquet Service Center	12	0%	12/2030

**The long range plan for these facilities is minimal planned future investment.**

Coleraine Service Center	7	0%	12/2025
--------------------------	---	----	---------

**The long range plan for this facility is little to no planned future investment.**

Crosby Service Center	3	0%	12/2021
Park Rapids Service Center	3	0%	12/2021

[TRADE SECRET DATA EXCISED]

### **Appendices**

Enclosed in Appendix A-1 through A-4, please find depreciation schedules as required by Commission filing requirements, Minn. Rules 7825.0700, subp. 1: Plant in Service, Analysis of Depreciation Reserve, and Summary of Annual Depreciation Accruals. Enclosed in Appendix A-5, please find an estimated amortization schedule through 2022 for BEC 1&2 regulated assets. Enclosed in Appendix B, please find a letter supporting the lives of account 3900 structures and improvements by location and for the remaining miscellaneous balance.

### **IV. FUTURE ADDITIONS OR RETIREMENTS AFFECTING CURRENT CERTIFICATION**

Minnesota Power does not have any major future additions or retirements to plant accounts that would materially impact the 2019 depreciation accruals. Minnesota Power announced on July 9, 2015, the Company's plan to cease coal operations at THEC Units 1

and 2 in 2020 and economically idle THEC Units 1 and 2 in the fall of 2016. Minnesota Power requests that the remaining net plant balances of all THEC units be recovered over the current remaining life of the plant, which is 2026. Also, in the Commission Order for the 2015 Plan, Minnesota Power was ordered to retire BEC Units 1 and 2 when sufficient energy and capacity are available, but no later than 2022. However, as discussed above, as a result of the Provision of the Consent Decree and the Commission not supporting Minnesota Power's preferred option to reroute emissions from BEC1&2 filed in the 2015 Plan, BEC1&2 were retired in December 2018.

## VI. CONCLUSION

Minnesota Power is requesting that the remaining lives of all facilities be adjusted for one year's passage of time, except for account 3900 structures and improvements, and proposes no changes to salvage rates.

The proposed changes result in an estimated decrease to 2019 annual depreciation expense of about \$64,000 when compared to 2018 rates and lives.

Date: August 22, 2019

Respectfully submitted,



---

Debra A. Davey  
Supervisor, Accounting  
Minnesota Power  
30 West Superior Street  
Duluth, MN 55802  
(218) 355-3714  
ddavey@allete.com

# Appendix A e-Filed in its original Excel format





June 21, 2019

**To:** Debra Davey – Supervisor, Accounting

**From:** Dan Gunderson, Vice-President of Transmission and Distribution and Chad Fort, Facility Coordinator

**RE:** Facility Life Estimate

Since 2017, Minnesota Power has been working on a long range strategic plan for all of its operating facilities, which consist of office buildings, service centers, and other miscellaneous structures. Life changes are being proposed for these operating facilities as a result of order point 6. in the Minnesota Public Utilities Commission’s Order for Minnesota Power’s 2018 Remaining Life Depreciation Petition and as a result of Minnesota Power’s work on the long range strategic plan for these facilities. In order point 6. the Minnesota Public Utilities Commission required Minnesota Power to include in its next depreciation petition a proposal to depreciate the largest structures included in plant account 390 Structures and Improvements individually, while continuing to apply group depreciation to the smaller structures in the account. Minnesota Power interprets individually in that order point to mean separately as it would be daunting to individually depreciate all the individual assets that make up the assets for one of these operating facilities. A list of operating facilities and their proposed lives are below. The facilities listed separately all have an investment of \$1 million or more. The facilities with investments of \$1 million or less have been combined, will have the same life, and are the line for remaining miscellaneous structures and improvements below.

Our main operating facilities would be considered “Class A” Type Commercial Buildings. The typical construction for these buildings include a slab on grade foundation, steel frame structures with masonry exterior walls, flat roofs with a EDPM roof membranes electrically heated and air conditioned with state of the art fire detection to protect the company’s investments. These buildings are inspected and maintained on a regular basis that includes preventative maintenance and repairs along with smoke, heat and intrusion detections systems. Capital improvements are scheduled in a timely manner to maintain the structural integrity and water tightness of the building’s envelope and overall performance of the buildings. Typical improvements, replacements and repairs include automatic sprinkler and fire suppression systems, roof, window, HVAC, carpet and LED lighting upgrades.

The remaining life of these facilities is influenced directly by their physical condition. In the past 10 years, Minnesota Power has invested over \$25 million in these facilities. Minnesota Power plans to

continue to invest in these facilities to make them safer, healthier and more energy efficient so they have less environmental impact.

For the facilities on the list below with proposed ends of lives of 2040 and 2050, Minnesota Power expects to continue operating these facilities and will continue to inspect and maintain these facilities on a regular basis. The planned future investment in the long range plan was used to determine whether the life was 2040 or 2050. For the facilities on the list below with shorter proposed ends of lives of 2021, 2025 and 2030, Minnesota Power expects to operate these facilities for shorter periods of time and the long range plan is minimal, or little to no planned future investment. The long range plan was used to determine whether the life was 2021, 2025, or 2030.

Our recommendation is to propose the remaining lives below in Minnesota Power’s 2019 Remaining Life Depreciation Petition. For general plant account 3900 the current end of life is 12/2036 (18 years).

<u>Location</u>	<u>Proposed Remaining Life (Years)</u>	<u>Proposed End of Life</u>
General Office Building	32	12/2050
Rowe Energy Control Center	32	12/2050
Little Falls Service Center and DC Line Material Storage Facility	32	12/2050

**The long range plan for these facilities is significant planned future investment.**

Herbert Service Center	22	12/2040
Eveleth Service Center	22	12/2040
Sandstone Service Center	22	12/2040
Pine River Service Center	22	12/2040
Remaining Misc. Structures & Improvements	22	12/2040

**The long range plan for these facilities is continued operation and moderate upgrades.**

International Falls Service Center	12	12/2030
Cloquet Service Center	12	12/2030

**The long range plan for these facilities is minimal planned future investment.**

Coleraine Service Center	7	12/2025
--------------------------	---	---------

**The long range plan for this facility is little to no planned future investment.**

Crosby Service Center	3	12/2021
Park Rapids Service Center	3	12/2021



[TRADE SECRET DATA EXCISED]

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

AFFIDAVIT OF SERVICE VIA  
ELECTRONIC FILING

-----

SUSAN ROMANS of the City of Duluth, County of St. Louis, State of Minnesota, says that on the **22<sup>nd</sup>** day of **August, 2019**, she served Minnesota Power's 2019 Remaining Life Depreciation Petition 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's General Service (attached) were served as requested.



\_\_\_\_\_  
Susan Romans

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	Yes	GEN_SL_Minnesota Power_MPs General Service List
Generic Notice	Commerce Attorneys	commerce.attorneys@ag.state.mn.us	Office of the Attorney General-DOC	445 Minnesota Street Suite 1800  St. Paul, MN 55101	Electronic Service	Yes	GEN_SL_Minnesota Power_MPs General Service List
Riley	Conlin	riley.conlin@stoel.com	Stoel Rives LLP	33 S. 6th Street Suite 4200 Minneapolis, MN 55402	Electronic Service	No	GEN_SL_Minnesota Power_MPs General Service List
Hillary	Creurer	hcreurer@allete.com	Minnesota Power	30 W Superior St  Duluth, MN 55802	Electronic Service	No	GEN_SL_Minnesota Power_MPs General Service List
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 280  Saint Paul, MN 551012198	Electronic Service	Yes	GEN_SL_Minnesota Power_MPs General Service List
Kimberly	Hellwig	kimberly.hellwig@stoel.com	Stoel Rives LLP	33 South Sixth Street Suite 4200 Minneapolis, MN 55402	Electronic Service	No	GEN_SL_Minnesota Power_MPs General Service List
Lori	Hoyum	lhoyum@mnpower.com	Minnesota Power	30 West Superior Street  Duluth, MN 55802	Electronic Service	No	GEN_SL_Minnesota Power_MPs General Service List
Michael	Krikava	mkrikava@briggs.com	Briggs And Morgan, P.A.	2200 IDS Center 80 S 8th St Minneapolis, MN 55402	Electronic Service	No	GEN_SL_Minnesota Power_MPs General Service List
Douglas	Larson	dlarson@dakotaelectric.com	Dakota Electric Association	4300 220th St W  Farmington, MN 55024	Electronic Service	No	GEN_SL_Minnesota Power_MPs General Service List
James D.	Larson	james.larson@avantenergy.com	Avant Energy Services	220 S 6th St Ste 1300  Minneapolis, MN 55402	Electronic Service	No	GEN_SL_Minnesota Power_MPs General Service List

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Susan	Ludwig	sludwig@mnpower.com	Minnesota Power	30 West Superior Street  Duluth, MN 55802	Electronic Service	No	GEN_SL_Minnesota Power_MPs General Service List
Pam	Marshall	pam@energycents.org	Energy CENTS Coalition	823 7th St E  St. Paul, MN 55106	Electronic Service	No	GEN_SL_Minnesota Power_MPs General Service List
David	Moeller	dmoeller@allete.com	Minnesota Power	30 W Superior St  Duluth, MN 558022093	Electronic Service	Yes	GEN_SL_Minnesota Power_MPs General Service List
Andrew	Moratzka	andrew.moratzka@stoel.com	Stoel Rives LLP	33 South Sixth St Ste 4200  Minneapolis, MN 55402	Electronic Service	No	GEN_SL_Minnesota Power_MPs General Service List
Jennifer	Peterson	jppeterson@mnpower.com	Minnesota Power	30 West Superior Street  Duluth, MN 55802	Electronic Service	No	GEN_SL_Minnesota Power_MPs General Service List
Generic Notice	Residential Utilities Division	residential.utilities@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012131	Electronic Service	Yes	GEN_SL_Minnesota Power_MPs General Service List
Susan	Romans	sromans@allete.com	Minnesota Power	30 West Superior Street Legal Dept Duluth, MN 55802	Electronic Service	No	GEN_SL_Minnesota Power_MPs General Service List
Eric	Swanson	eswanson@winthrop.com	Winthrop & Weinstine	225 S 6th St Ste 3500 Capella Tower Minneapolis, MN 554024629	Electronic Service	No	GEN_SL_Minnesota Power_MPs General Service List
Daniel P	Wolf	dan.wolf@state.mn.us	Public Utilities Commission	121 7th Place East Suite 350 St. Paul, MN 551012147	Electronic Service	No	GEN_SL_Minnesota Power_MPs General Service List