



33 South Sixth Street, Suite 4200
Minneapolis, Minnesota 55402
T. 612.373.8800
F. 612.373.8881
www.stoel.com

December 1, 2016

ANDREW P. MORATZKA
Direct (612) 373-8822
apmoratzka@stoel.com

VIA E-FILING

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

Re: In the Matter of a Petition for Approval of an Amended and Restated Electric Service Agreement Between United States Steel Corporation and Minnesota Power Docket No. E-015/M-16-836

Dear Mr. Wolf:

Attached for filing in connection with the above-mentioned docket on behalf of United States Steel Corporation, please find the following documents:

1. Statement Regarding Justification for Excising Trade Secret Information;
2. Reply Comment (public and trade secret versions);
3. Certificate of Service.

Very truly yours,

Stoel Rives LLP

/s/ Andrew P. Moratzka

Andrew P. Moratzka

APM:kap
Attachments

cc: Service List

STATEMENT REGARDING JUSTIFICATION FOR EXCISING
TRADE SECRET INFORMATION

Pursuant to the Commission's revised Procedures for Handling Trade Secret and Privileged Data in furtherance of the intent of Minn. Stat. 13.37 and Minn. Rule Part 7829.0500, United States Steel Corporation (US Steel) has designated portions of the attached Reply Comment as Trade Secret.

The Reply Comment describes the Amended and Restated Electric Service Agreement between Minnesota Power and US Steel. This Agreement contains terms and conditions that are materially sensitive to US Steel due to the specific price and rate identification for electric service provided by Minnesota Power. The identification of US Steel's levels of energy usage is confidential trade secret information to US Steel, especially in light of the intensely competitive marketplace in which US Steel operates. Information regarding specific energy pricing methods and the process Minnesota Power utilizes to provide its services is valuable and confidential commercial information to both Minnesota Power and US Steel. Minnesota Power and US Steel follow strict internal procedures to maintain the secrecy of this information in order to capitalize on the economic value of the information. Potential competitors of both parties would gain a commercial advantage if this information were publicly available, with severe competitive implications resulting.

US Steel believes that this statement justifies why the information excised from the attached report should remain a trade secret under Minn. Stat. §13.37. US Steel respectfully requests the opportunity to provide additional justification in the event of a challenge to the trade secret designation provided herein.

CERTIFICATE OF SERVICE

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

**TRADE SECRET AND PUBLIC VERSIONS OF THE REPLY COMMENT ON
BEHALF OF UNITED STATES STEEL CORPORATION**

In the Matter of a Petition for Approval of an Amended and Restated Electric Service Agreement
Between United States Steel Corporation and Minnesota Power
Docket No. E-015/M-16-836

Dated this 1st day of December, 2016.

/s/ Emma Fazio
Emma Fazio

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Julia	Anderson	Julia.Anderson@ag.state.mn.us	Office of the Attorney General-DOC	1800 BRM Tower 445 Minnesota St St. Paul, MN 551012134	Electronic Service	Yes	OFF_SL_16-836_M-16-836
Christopher	Anderson	canderson@allete.com	Minnesota Power	30 W Superior St Duluth, MN 558022191	Electronic Service	Yes	OFF_SL_16-836_M-16-836
William	Bond	william.bond@arcelormittal.com	ArcelorMittal USA - Minorca Mine Inc.	PO Box 1 5950 Old Highway 53 Virginia, MN 55792	Electronic Service	No	OFF_SL_16-836_M-16-836
Greg	Chandler	greg.chandler@upm.com	UPM Blandin Paper	115 SW First St Grand Rapids, MN 55744	Electronic Service	No	OFF_SL_16-836_M-16-836
David	Chura	dchura@mnpower.com	Minnesota Power	30 West Superior Street Duluth, MN 55802	Electronic Service	No	OFF_SL_16-836_M-16-836
Paul	Ciesielski	Paul.Ciesielski@arcelormittal.com	ArcelorMittal	3300 Dickey Road East Chicago, IN 46312	Electronic Service	No	OFF_SL_16-836_M-16-836
Jack	Croswell	Jack.croswell@cliffsnr.com	Hibbing Taconite	P O Box 589 Hibbing, MN 55746	Electronic Service	No	OFF_SL_16-836_M-16-836
Emma	Fazio	emma.fazio@steel.com	Steel Rives LLP	33 South Sixth Street Suite 4200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_16-836_M-16-836
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 500 Saint Paul, MN 551012198	Electronic Service	No	OFF_SL_16-836_M-16-836
Shane	Henriksen	shane.henriksen@enbridge.com	Enbridge Energy Company, Inc.	1409 Hammond Ave FL 2 Superior, WI 54880	Electronic Service	No	OFF_SL_16-836_M-16-836
Margaret	Hodnik	mhodnik@mnpower.com	Minnesota Power	30 West Superior Street Duluth, MN 55802	Electronic Service	No	OFF_SL_16-836_M-16-836

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Lori	Hoyum	lhoyum@mnpower.com	Minnesota Power	30 West Superior Street Duluth, MN 55802	Electronic Service	No	OFF_SL_16-836_M-16-836
James	Jarvi	N/A	Minnesota Ore Operations - U S Steel	P O Box 417 Mountain Iron, MN 55768	Paper Service	No	OFF_SL_16-836_M-16-836
Michael	Krikava	mkrikava@briggs.com	Briggs And Morgan, P.A.	2200 IDS Center 80 S 8th St Minneapolis, MN 55402	Electronic Service	No	OFF_SL_16-836_M-16-836
Nathan N	LaCoursiere	nlacoursiere@duluthmn.gov	City of Duluth	411 W 1st St Rm 410 Duluth, MN 55802	Electronic Service	No	OFF_SL_16-836_M-16-836
David	Langmo	david.langmo@sappi.com	Sappi North America	P O Box 511 2201 Avenue B Cloquet, MN 55720	Electronic Service	No	OFF_SL_16-836_M-16-836
Douglas	Larson	dlarson@dakotaelectric.com	Dakota Electric Association	4300 220th St W Farmington, MN 55024	Electronic Service	No	OFF_SL_16-836_M-16-836
James D.	Larson	james.larson@avantenergy.com	Avant Energy Services	220 S 6th St Ste 1300 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_16-836_M-16-836
John	Lindell	john.lindell@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012130	Electronic Service	Yes	OFF_SL_16-836_M-16-836
Patrick	Loupin	PatrickLoupin@PackagingCorp.com	Packaging Corporation of America	PO Box 990050 Boise, ID 83799-0050	Electronic Service	No	OFF_SL_16-836_M-16-836
Susan	Ludwig	sludwig@mnpower.com	Minnesota Power	30 West Superior Street Duluth, MN 55802	Electronic Service	No	OFF_SL_16-836_M-16-836

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Sarah	Manchester	sarah.manchester@sappi.com	Sappi North American	255 State Street Floor 4 Boston, MA 02109-2617	Electronic Service	No	OFF_SL_16-836_M-16-836
Pam	Marshall	pam@energycents.org	Energy CENTS Coalition	823 7th St E St. Paul, MN 55106	Electronic Service	No	OFF_SL_16-836_M-16-836
Keith	Matzdorf	keith.matzdorf@sappi.com	Sappi Fine Paper North America	PO Box 511 2201 Avenue B Cloquet, MN 55720	Electronic Service	No	OFF_SL_16-836_M-16-836
Matthew	McClincy	MMcClincy@usg.com	USG	35 Arch Street Clouquet, MN 55720	Electronic Service	No	OFF_SL_16-836_M-16-836
Herbert	Minke	hminke@allete.com	Minnesota Power	30 W Superior St Duluth, MN 55802	Electronic Service	No	OFF_SL_16-836_M-16-836
David	Moeller	dmoeller@allete.com	Minnesota Power	30 W Superior St Duluth, MN 558022093	Electronic Service	Yes	OFF_SL_16-836_M-16-836
Andrew	Moratzka	andrew.moratzka@stoel.com	Stoel Rives LLP	33 South Sixth St Ste 4200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_16-836_M-16-836
Jennifer	Peterson	jppeterson@mnpower.com	Minnesota Power	30 West Superior Street Duluth, MN 55802	Electronic Service	No	OFF_SL_16-836_M-16-836
Ralph	Riberich	rriberich@uss.com	United States Steel Corp	600 Grant St Ste 2028 Pittsburgh, PA 15219	Electronic Service	No	OFF_SL_16-836_M-16-836
Santi	Romani	N/A	United Taconite	P O Box 180 Eveleth, MN 55734	Paper Service	No	OFF_SL_16-836_M-16-836

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Susan	Romans	sromans@allete.com	Minnesota Power	30 West Superior Street Legal Dept Duluth, MN 55802	Electronic Service	No	OFF_SL_16-836_M-16-836
Thomas	Scharff	thomas.scharff@versoco.com	Verso Corp	600 High Street Wisconsin Rapids, WI 54495	Electronic Service	No	OFF_SL_16-836_M-16-836
Ron	Spangler, Jr.	rlspangler@otpc.com	Otter Tail Power Company	215 So. Cascade St. PO Box 496 Fergus Falls, MN 565380496	Electronic Service	No	OFF_SL_16-836_M-16-836
Eric	Swanson	eswanson@winthrop.com	Winthrop Weinstine	225 S 6th St Ste 3500 Capella Tower Minneapolis, MN 554024629	Electronic Service	No	OFF_SL_16-836_M-16-836
Jim	Tieberg	jtieberg@polymetmining.com	PolyMet Mining, Inc.	PO Box 475 County Highway 666 Hoyt Lakes, MN 55750	Electronic Service	No	OFF_SL_16-836_M-16-836
Karen	Turnboom	karen.turnboom@versoco.com	Verso Corporation	100 Central Avenue Duluth, MN 55807	Electronic Service	No	OFF_SL_16-836_M-16-836
Daniel P	Wolf	dan.wolf@state.mn.us	Public Utilities Commission	121 7th Place East Suite 350 St. Paul, MN 551012147	Electronic Service	Yes	OFF_SL_16-836_M-16-836

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

In the Matter of a Petition for Approval of an
Amended and Restated Electric
Service Agreement Between United States
Steel Corporation and Minnesota Power

PUC Docket No. E-015/M-16-836

REPLY COMMENT

United States Steel Corporation (“US Steel”) submits the following reply comment in the above-referenced docket.

I. INTRODUCTION

On October 10, 2016, Minnesota Power filed a petition (“ESA Petition”) with the Minnesota Public Utilities Commission (the “Commission”) for approval of an amended and restated electric service agreement between Minnesota Power and US Steel (the “Amended ESA”). On November 10, 2016, the Minnesota Department of Commerce – Division of Energy Resources (the “Department”) submitted a comment (the “Department Comment”) recommending that the Commission merge this docket into Minnesota Power’s pending rate case, Docket No. E-015/GR-16-664 (the “Rate Case”). US Steel submits this reply comment in response to the Department Comment in order to recommend an alternative solution that addresses the Department’s concerns and would allow the Commission to approve the Amended ESA in this docket.

II. ANALYSIS

In the Department Comment, the Department explained that it had enough information to conclude that all but one of the Amended ESA provisions is consistent with the public interest.¹ For the [TRADE SECRET DATA EXCISED] provision (the “Provision”), the Department concluded that it needed more information to complete its analysis and recommends incorporating review of the Amended ESA into the Rate Case.² US Steel appreciates that it is

¹ Department Comment at 6 (November 10, 2016) (eDocket No. 201611-126426-01).

² Department Comment at 6 (November 10, 2016) (eDocket No. 201611-126426-01).

difficult to understand the long term impact of the Provision, if any. In the spirit of compromise, US Steel recommends that the Commission modify the Amended ESA [TRADE SECRET DATA EXCISED] the Provision (the “Proposed Modification”). If the Commission follows this approach, US Steel agrees to waive its rights under the Amended ESA with respect to the Proposed Modification.³ US Steel submits that the Proposed Modification to the Amended ESA should resolve the Department’s concern over the potential long-term impacts of the Provision at issue, and thus eliminates any reason to refer this matter to the Rate Case. Referring this matter to the Rate Case would have a detrimental impact by delaying the benefits of the Amended ESA to US Steel, Minnesota Power, and all of Minnesota Power’s ratepayers.

The Provision, with the Proposed Modification, is in the public interest because it meets the standard of not being “unreasonably preferential, unreasonably prejudicial, or discriminatory.”⁴ The Provision is reasonable because it would [TRADE SECRET DATA EXCISED], thereby benefitting all of Minnesota Power’s ratepayers. As Minnesota Power explained in its response to the Department’s information request, if [TRADE SECRET DATA EXCISED], it would benefit all of Minnesota Power’s ratepayers by assisting in fixed-cost recovery and boosting the Iron Range economy.⁵ Furthermore, the Provision [TRADE SECRET DATA EXCISED].⁶ And the Department need not be concerned about whether [TRADE SECRET DATA EXCISED].

The Provision is also in the spirit of the Competitive Rate Statute, Section 216B.162 of the Minnesota Statutes, because it [TRADE SECRET DATA EXCISED]. As demonstrated by the Commission’s recent approval of Xcel Energy’s Petition regarding its Revised Competitive Response Rider Agreement with Gerdau Ameristeel US, Inc., the Competitive Rate Statute has been interpreted to [TRADE SECRET DATA EXCISED].⁷ Here, the Provision [TRADE

³ Under paragraph 4 (I) of the ESA, both Minnesota Power and US Steel have the ability to renegotiate terms of the ESA in the event the ESA “is not approved by the Commission, is approved subject to terms or conditions to which either party objects, or is revised or modified in any material respect by the Commission.”

⁴ Minn. Stat. § 216B.03.

⁵ Department Comment at 6 (November 10, 2016) (eDocket No. 201611-126426-01).

⁶ Department Comment at 6 (November 10, 2016) (eDocket No. 201611-126426-01).

⁷ *In the Matter of the Petition of Northern States Power Company d/b/a Xcel Energy for Approval of a Revised Competitive Response Rider Tariff and a Revised Competitive Response Rider Agreement with Gerdau Ameristeel US Inc.*, Docket No. E-002/M-16-420, ORDER at 7 (September 20, 2016).

SECRET DATA EXCISED]. Yet, unlike a rate approved under the Competitive Rate Statute, the benefit of the Provision [**TRADE SECRET DATA EXCISED**].

Minnesota Power offers a Competitive Rate Schedule that implements the Competitive Rate Statute.⁸ Because the Provision [**TRADE SECRET DATA EXCISED**] through the Proposed Modification.⁹ US Steel also notes that [**TRADE SECRET DATA EXCISED**].¹⁰ The Proposed Modification will ensure that the Provision serves the purpose of [**TRADE SECRET DATA EXCISED**], while alleviating the Department's concern about the potential long-term impacts of the Provision. If the Provision [**TRADE SECRET DATA EXCISED**]. Thus, US Steel maintains that the Amended ESA with the Proposed Modification is in the public interest. In the event additional information is requested by the Commission as part of any Minnesota Power compliance filing subsequent to the Commission's approval of the Amended ESA, US Steel is happy to work with Minnesota Power to assist it in assembling the requested information.

III. CONCLUSION

US Steel sincerely appreciates the Department's efforts in reviewing the Amended ESA and continued interest to ensure rates are not unreasonably preferential or discriminatory. US Steel understands the Department's concern about the potential long-term impacts of the Amended ESA. US Steel is confident that the Proposed Modification to the Amended ESA alleviates the Department's concerns, and thus urges the Commission to approve the Amended ESA with the Proposed Modification without referring the matter to the Rate Case.

⁸ Minnesota Power Rate Book, Vol. 1, Section No. 5, 4th Revised Sheet No. 26.

⁹ See Minnesota Power Rate Book, Vol. 1, Section No. 5, 4th Revised Sheet No. 26.

¹⁰ See, e.g., *In the Matter of a Revised Petition by Minnesota Power for a Competitive Rate for Energy-Intensive, Trade-Exposed (EITE) Customers and an EITE Cost Recovery Rider*, Docket No. E-015/M-16-564, HEARING TRANSCRIPT at 264 (September 15, 2016).

**PUBLIC DOCUMENT
TRADE SECRET DATA EXCISED**

Date: December 1, 2016

Respectfully submitted,

STOEL RIVES LLP

/s/ Andrew P. Moratzka

Andrew P. Moratzka
Sarah Johnson Phillips
Emma J. Fazio
33 South Sixth Street
Suite 4200
Minneapolis, MN 55402
Tele: (612) 373-8800
Fax: (612) 373-8881

ATTORNEYS FOR
UNITED STATES STEEL CORPORATION