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September 24, 2025

VIA ELECTRONIC FILING

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

RE: *In the Matter of the Petition of Minnesota Power for Acquisition of ALLETE by Canada Pension Plan Investment Board and Global Infrastructure Partners*
Updated Stipulation: Conditions of Acquisition and Preferred Decision Options
MPUC Docket Nos. E015/PA-24-198

Dear Ms. Bergman:

ALLETE, Inc. d/b/a Minnesota Power ("Minnesota Power" or the "Company") submits this filing pursuant to the Minnesota Public Utilities Commission's ("Commission's") September 11, 2025 Notice of Oral Argument Times and Procedures ("Order"). Specifically, the Commission directed that "Parties are encouraged to meet and confer in efforts to work toward agreement on preferred decision options. Minnesota Power shall make a filing by September 24 summarizing the results of these efforts, and all parties should be prepared to discuss at the September 25 Commission meeting."

Consistent with this direction, Minnesota Power, along with the Partners, reached out to all parties to this proceeding, as well as other interested parties, to assess potential agreement on Decision Options, including the additional Decision Options proposed by Commissioners on September 16, 2025. We are very pleased to share that the Company and Partners have agreed to a set of commitments that includes the large majority of the Commissioners' additional Decision Options. These agreements provide expansive additional benefits to customers and the public interest above and beyond what is already provided in the Settlement.

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As directed by the Commission, we have worked with parties and stakeholders to reach agreement on preferred decision options. To that end, **Attachment A** to this filing reflects agreement by the following parties and stakeholders on proposed Decision Options and overall resolution of this proceeding:

- Minnesota Power;
- The Minnesota Department of Commerce (“Department”);
- Global Infrastructure Partners;
- Canada Pension Plan Investment Board;
- Energy CENTS Coalition;
- International Brotherhood of Electrical Workers Local 31;
- IUOE Local 49 and NCSRCC;
- LiUNA Minnesota and North Dakota;
- Fresh Energy;
- Clean Grid Alliance;
- Center for Energy and Environment; and
- Clean Energy Economy Minnesota.

Through the commitments in the Settlement and the additional commitments outlined in **Attachment A**, the Partners have agreed to provide more than \$100 million in rate credits and investor-funded investments for customers, in addition to a one-year rate case stay-out.

Attachment B to this filing identifies how agreed Decision Options in Attachment A differ from proposed Commissioner Decision Options and provides explanations for modifications where we believe such explanation may be helpful to the Commission. The Company, Partners, and Department confirm that to the extent their agreement in this filing to a Decision Option would constitute a modification of the Settlement Agreement between them, they would accept the modifications included in this letter without otherwise withdrawing from the Settlement.

Minnesota Power, along with GIP and CPP Investments, also reached out to each of the Office of the Attorney General-Residential Utilities Division, Citizens Utility Board (MN), CURE, Sierra Club, and Large Power Intervenor to determine whether they would support approval of the Acquisition or otherwise modify their positions should the Commission adopt any combination of the new Commissioner Decision Options. These parties each stated that they would not support the Acquisition, and that the Commission’s new Decision Options would not affect their opposition to the Acquisition.

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We appreciate the careful attention and dedication of time to this important matter by the Commission and Commission Staff. Please feel free to contact the undersigned with any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Elizabeth M. Brama".

Elizabeth M. Brama
Kodi J. Verhalen
Taft Stettinius & Hollister LLP
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kverhalen@taftlaw.com

Counsel for ALLETE, Inc. d/b/a
Minnesota Power

cc: Service List

ADDENDUM TO SETTLEMENT STIPULATION

This Addendum to Settlement Stipulation, which shall be effective as of the date of the signatures below, is entered into for purposes of jointly recommending that the matter before the Minnesota Public Utilities Commission (“Commission”) in Docket No. E015/PA-24-198 is consistent with the public interest in compliance with Minn. Stat. § 216B.50 in light of the commitments in the Settlement Stipulation and in this Addendum.

WHEREAS, on July 11, 2025, the Minnesota Department of Commerce, ALLETE Inc. d/b/a Minnesota Power, Canada Pension Plan Investment Board, and Global Infrastructure Partners (each a “Settling Party” and collectively the “Settling Parties”) entered into a Settlement Stipulation (the “Settlement”)¹ through which they developed a series of commitments responsive to concerns raised by the Department and as a result of which each Settling Party supports Commission approval of the proposed Acquisition as consistent with the public interest;

WHEREAS, in light of the proposed Decision Options filed on September 16, 2025 by Commissioners, Minnesota Power, Canada Pension Plan Investment Board, and Global Infrastructure Partners have agreed to additional conditions as described in this Addendum;

WHEREAS, since the date of the Settlement, additional entities wish to expressly join the Settlement and Addendum in support of it and all its terms;

WHEREAS, the following parties to this Acquisition proceeding join this Addendum to Settlement: the International Brotherhood of Electrical Workers Local 31, LIUNA Minnesota and North Dakota, North Central States Regional Council of Carpenters and the International Union of Operating Engineers Local 49, and Energy CENTS Coalition (collectively the “Additional Parties”); and

WHEREAS, the following non-parties also wish to join this Addendum to Settlement: Fresh Energy; the Clean Grid Alliance; the Center for Energy and Environment; and Clean Energy Economy Minnesota (collectively the “Additional Signatories”) (the Settling Parties, the Additional Parties, and the Additional Signatories, together, the “Resolving Parties”).

NOW, THEREFORE, in consideration of the promises and mutual agreement contained in this Addendum to Settlement Stipulation, the Resolving Parties agree as follows:

1. The Resolving Parties have reviewed the Settlement signed by the Department, Minnesota Power, GIP, and CPP Investments filed on July 11, 2025.
2. The Resolving Parties have reviewed all Decision Options filed by the Minnesota Public Utilities Commission Staff on September 11, 2025, and the additional Decision Options filed by the Commissioners on September 16, 2025.

¹ *In the Matter of the Petition of Minnesota Power for Acquisition of ALLETE by Canada Pension Plan Investment Board and Global Infrastructure Partners*, Docket No. E015/PA-24-198, Settlement Stipulation (July 11, 2025) (eDocket No. [20257-220879-01](#)). All defined terms and acronyms included in this Addendum shall have the same meaning as set forth in the Settlement, unless otherwise defined herein.

3. The Resolving Parties hereby incorporate the Settlement, including all of its terms and provisions, in full, except to the extent that any of the terms or provisions of the Settlement are modified in this Addendum to Settlement Stipulation. For the avoidance of doubt, this includes the General Provisions in Paragraphs 2.2 through 2.9 of the Settlement.
4. The Resolving Parties support adoption of the Decision Options herein, including those that add to or modify the Settlement.
5. The Resolving Parties conclude that the terms of this Addendum further enhance the benefits of the Acquisition and further reduce any risks to Minnesota Power customers, stakeholders, and the public as set forth in the Settlement, and further underscore that the Acquisition is in the public interest.
6. The Resolving Parties jointly recommend that the Commission approve the Acquisition including all terms, conditions, and commitments included in the Settlement and Addendum.
7. Minnesota Power, GIP, CPP Investments, and the Department confirm that to the extent their agreement in this filing to a Decision Option constitutes a modification of the July 11, 2025 Settlement, they accept the modifications included in this letter without otherwise withdrawing from the Settlement.
8. The Resolving Parties support adoption of the following Decision Options:
 - a. The Resolving Parties to the Addendum to Settlement Stipulation recommend adoption of Staff Decision Options 5, 7A and B, 8 as modified below, 10, 11, 13A as modified below, 15, 16A-F, 17A-C, 18, 19A-K,² 20, and 21.³
 - b. **8. Staff:** Require Minnesota Power to file in this docket an annual report documenting any adjustments to the 5-year capital investment plan, with an explanation of why the adjustments are reasonable, prudent, and consistent with the goals of Settlement Stipulation Paragraphs 1.3–1.4 to ensure the availability of investment funds and the enforceability of the capital commitment. Further require that Minnesota Power make an interim report, providing the same information, if there are any adjustments to the 5-year capital investment plan between annual reports.
 - c. **13A. Staff:** Direct the Executive Secretary to modify the ALJ report as specified herein and to otherwise modify, reject, or add any findings or conclusions, including incorporating modifications proposed by Minnesota Power, the Partners, the Department, ECC, and LIUNA as needed to ensure the findings of fact of the Commission are consistent with the Commission's decisions.
 - d. **Ham New 23.** Minnesota Power's rate of return on equity is capped at 9.78 percent (as approved in Docket No. E-015/GR-23-155) and Minnesota Power's equity ratio in its capital structure will be capped at 53.0 percent until December 31st, 2030.

² The Minnesota Department of Commerce takes no position on Decision Option 19.

³ While the Resolving Parties do not object to Decision Option 21, they believe it is addressed by Paragraphs 1.40 and 1.41 of the Settlement.

This condition does not prohibit Minnesota Power from filing new rate cases or from proposing in rate cases what an ROE would be absent the temporary cap. The Commission may reduce the rate of return on equity by up to 100 basis points if it finds any significant violation of conditions imposed in this docket.

- e. **Ham New 24.** Until the end of fiscal year 2030, ALLETE shall file with the Minnesota Public Utilities Commission any and all relevant information required under Securities and Exchange Commission rules which were applicable when ALLETE was publicly traded. The Commission delegates authority to the Executive Secretary to approve or modify the Company's plan for compliance with this requirement, and such plan shall be filed with the Executive Secretary within 30 days after the close of the Acquisition.
- f. **Ham New 25.** The Minnesota Department of Commerce shall be given the opportunity to review and approve the scope of work and review and ask questions related to the audit report of ALLETE's annual financial statement audit by an independent registered accounting firm, prior to the finalization of the audit report, to ensure that the audit will be (as to scope) and was (as to the audit report) conducted in accordance with auditing standards generally accepted in the United States of America ("US GAAS") until the end of fiscal year 2030. ALLETE shall pay the independent auditor directly for the cost of the audit. ALLETE shall file the result with the Minnesota Public Utilities Commission.
- g. **Ham New 26 (unchanged).** Minnesota Power shall continue to comply with the conditions imposed by the April 26, 2002 Commission Order in Docket No. E-015/PA-01-539.
- h. **Sieben New 27.** In addition to any other commitments, Partners shall pay \$50 million in bill credits to Minnesota Power, which MP shall distribute to customers by 2032 on an allocation and schedule to be approved by the Commission in a future proceeding. Within 30 days of the Order, MP shall file a plan assuring that this commitment is legally enforceable between MP and the Partners and irrevocable until fulfilled, even if the Partners sell the Company. The Commission delegates authority to the Executive Secretary to approve this plan if no party files an objection within 20 days of MP's filing. Additionally, MP shall file a proposal for distributing the bill credits either in its next rate case or in a petition by February 1, 2026, whichever is earlier.
- i. **Sieben New 28 (unchanged except as to IRP docket timing).** MP shall make the following filings, cross filed in this docket and in Docket No. E015/RP-25-127 (the IRP Docket) within the timeframes set forth below unless such timeframes are modified in the IRP Docket. The Commission delegates authority to the Executive Secretary to modify the timelines:
 - A. Within 90 days of the Order in this docket, MP shall file an alternative resource plan scenario, henceforth called the "Clean Firm Plan," that takes into account modifications made in this docket and accounts for Minn. Stat. § 216B.1691, subd. 2g (the Carbon-Free Standard) in the most cost-effective manner possible. In the IRP docket, MP shall work with stakeholders to develop a Clean Firm Plan that will incorporate changed circumstances on account of the Stipulation and this Order. The Clean Firm Plan shall:

- i. Contemplate replacement and/or surplus use of the Boswell interconnection to achieve a lower emission scenario using the externality values that were updated in Docket No. E-999/CI-14-643.
 - ii. Minimize the size and capacity factor of natural gas resources added to minimize the risk of stranded assets for Minnesota Power customers.
 - iii. Include clean firm capacity to be funded by the \$50 million Clean Firm Fund commitment. The filing shall include details on how Minnesota Power plans to use the Fund including the size and type of the resource(s) to be developed, why the proposed resources are the best use of this Fund, in-service date(s) for proposed resources, and additional funding or financing sources being pursued, as applicable.
- B. As ordered in the 2023 IRP, Docket No. E-015/RP-21-33, Minnesota Power shall file in the current IRP Docket amended affiliated interest agreements and updated capacity dedication amounts for the Nemadji Trail Energy Center (NTEC), and parties may analyze whether that amount of NTEC capacity is in the public and ratepayer interest. Minnesota Power shall make the affiliated interest agreement filing by October 15, 2025 in the IRP Docket, and cross-file it in the NTEC affiliated interest agreement docket, No. E-015/AI-17-568.
- j. **Sieben New 29 (unchanged).** The ALLETE Board shall consist of at least eight independent directors, at least three of whom must be from Minnesota.
- k. **Modifications to the Settlement as follows** (to align with Sieben New 29):

Paragraph 1.23(b)(i) shall read as follows: “Eight of the directors will not be employees of ALLETE, GIP, or CPP Investments and will meet the New York Stock Exchange definition of “independent” (the “Independent Directors”).”

Paragraph 1.32(b)(iii) shall read as follows: “Three of the Independent Directors will be Minnesota resident directors.
- l. **Partridge New 30.** Minnesota Power shall create a Weatherization Fund as follows, using \$10 million in funds provided by Alloy Parent that will be accounted for as a regulatory liability.
 - A. Alloy Parent shall make \$2 million installments to the Weatherization Fund annually, beginning January 1, 2026, until the \$10 million commitment is fulfilled. By January 10 of each year until the \$10 million commitment is fulfilled, Minnesota Power shall make a filing with the Commission confirming that the annual payment to the Weatherization Fund has been made.
 - B. Alloy Parent and Minnesota Power shall complete all annual contributions to the Weatherization Fund totaling \$10 million no later than January 1, 2030.
 - C. Neither contributions to the Weatherization Fund nor portions of an investment or project financed with the Fund are eligible for cost recovery from Minnesota ratepayers.

- D. Energy savings and the associated net benefits achieved through the Weatherization Fund are not eligible to be included in the calculation of Minnesota Power's Energy Conservation and Optimization utility financial incentive.
- E. The objective of the Weatherization Fund is to reduce space and water heating and cooling loads in participating homes. Energy savings may be achieved and expressed in electricity, natural gas, propane, or heating oil savings.
- F. The Weatherization Fund will only be used to support investments in weatherization, energy conservation, and efficient fuel switching for Minnesota Power electric customers who qualify for low-income Energy Conservation and Optimization services, as determined by Minnesota Statutes § 216B.2402. Income-qualified multifamily buildings are also eligible for participation in the Weatherization Fund. Among eligible customers, Minnesota Power shall prioritize those who use delivered fuel for heating.
- G. The Weatherization Fund shall be used to install measures in the following categories: pre-weatherization, building envelope energy efficiency, heat pump water heaters, air source heat pumps that can provide space heating and cooling, and enabling technology for participation in load management programs.
- H. No more than 5% of the total Weatherization Fund budget can be used for program administration and delivery.
- m. **Partridge New 31.** Minnesota Power shall submit a plan to the Department of Commerce by June 1, 2026, detailing how it proposes to spend the Weatherization Fund for the subsequent three calendar years (2027 through 2029) and every three years thereafter until the fund is fully depleted. The Department of Commerce shall approve, modify, or deny the plan.
 - A. Minnesota Power shall submit an annual report each April 1, detailing Weatherization Fund achievements compared to forecast for the prior calendar year. The report shall include at least the following data for each program:
 - i. Planned and actual spending
 - ii. Planned and actual participation
 - iii. Types and number of measures installed
 - iv. Planned and actual energy savings, expressed as kWh, Dth, or BTUs
 - v. Planned and actual kW demand reduction
 - vi. Discussion of additional participant, utility, and environmental benefits provided through the Weatherization Fund.
- n. **Partridge New 32.** The Partners and Minnesota Power shall continue to locate Minnesota Power's call center in Minnesota and maintain staffing levels of no less than 22 call center employees for at least 10 years.
- o. **Partridge New 34.** Minnesota Power shall maintain internal expertise to provide high-quality utility service and continue to provide high-quality, Minnesota jobs.

The Partners and Minnesota Power shall maintain employee staffing levels of no less than 10% below Minnesota Power's 5-year historic average employment levels (1,078 employees, as calculated based on Minnesota Power's response to IR 12) unless approved by the Commission.

- p. **Partridge New 35 (unchanged).** Minnesota Power shall continue to prioritize local, union labor whenever possible and shall require contractors and subcontractors to pay their workers prevailing wage.
- q. **Partridge New 36.** Modify Settlement Stipulation ¶ 1.58 as follows:
Minnesota Power nonunion employees will maintain the same or better position and compensation and benefits in aggregate for five years following the close of the transaction. This provision shall be subject to voluntary departures and terminations in the ordinary course and shall not apply to any nonunion employee who voluntarily agrees to a change in position or location. The Company acknowledges IBEW Local 31's exclusive representation as identified in current collective bargain agreements and will continue to honor agreements as they are bargained.
- r. **Partridge New 37 (unchanged).** Modify Settlement Stipulation ¶ 1.71 as follows:
The Partners and Minnesota Power acknowledge Minnesota Power's obligations under Minnesota's Carbon Free Standard Law and commit to support Minnesota Power with additional expertise and capital as necessary to enable Minnesota Power to comply with the Carbon Free Standard through implementation of Commission Orders, including in IRP and related dockets.
- s. **Partridge New 38 (unchanged).** Minnesota Power shall work with the Minnesota Department of Commerce and other participants in Docket No. E015/RP-25-127 to develop an alternative resource plan scenario without the 750 MW of new combined-cycle natural gas resources proposed in Minnesota Power's March 3, 2025 integrated resource plan. By December 15, 2025, Minnesota Power shall file the alternative scenario accompanied by a qualitative description of the scenario and its costs and benefits, as well as a quantitative analysis of how the scenario performs on the factors listed in Minnesota Rules part 7843.0500, subpart 3.
- t. **Tuma New 39A.** Within 30 days after the order, the Company shall make a compliance filing identifying the fulltime equivalent employee (FTE) count and the number of employees in each category or division of Minnesota Power such as transmission and distribution, generation, and operations support services. The reporting shall identify how many FTEs are union versus nonunion and their work locations. The reporting shall identify contractor work hours related to the job classifications covered under the Company's current collective bargaining agreement. The Commission delegates authority to the Executive Secretary to approve the division classification made by Minnesota Power if no objection is filed by the Department or OAG within 14 days of the compliance filing. Additionally, Minnesota Power shall list the number of those employees with their primary work location in Minnesota and the number of FTEs presently unfilled at the time of the filing.
- u. **Tuma New 39B.** The Company shall make compliance filings quarterly, on dates designated by the Executive Secretary or by the Commission, reporting on the

metrics identified in 39A in the initial filing or modifications approved by the Commission.

- v. **Tuma New 39C.** So long as Minnesota Power is owned by Alloy Parent or any successor company affiliated with Global Infrastructure Partners or Canada Pension Plan Investment Board, the Company may not reduce the identified FTE complement for each business area identified in Decision Option 39A by more than 10 percent below Minnesota Power's 5-year historic average employment (as of the date of the Acquisition) or move the primary work location out of Minnesota without prior Commission approval. The FTE count for each category and associated primary locations shall be reset with approval of the Commission.
- w. **Tuma New 39D.** Upon filing a request to modify the FTE count in Minnesota or to relocate jobs to primary sites outside of Minnesota (unless it relates to a Company asset located outside of Minnesota) between rate cases, the Company must show such actions are reasonable, prudent, will not reduce service quality, and are in the public interest. The Commission delegates authority to the Executive Secretary to approve the request if no objection is made by the Department or OAG and no request for further investigation is made by a Commissioner within 14 days of the filing of any such request.

[SIGNATURE PAGES FOLLOW]

AGREED TO BY:

Signed by:

AB25604B0645442...
Bethany M. Owen
Chair, President, and Chief Executive Officer
ALLETE, Inc. d/b/a Minnesota Power

Date: September 24, 2025

Signed by:

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Andrew Alley
Managing Director, Head of Infrastructure, North America & Australasia
Canada Pension Plan Investment Board

Date: September 24, 2025

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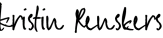
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Jonathan Bram
Founding Partner
Global Infrastructure Management, LLC

Date: September 24, 2025

Signed by:

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Pete Wyckoff, PhD
Deputy Commissioner of Energy Resources
Minnesota Department of Commerce

Date: September 24, 2025

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Kristin Renskers
Business Manager/Financial Secretary
IBEW Local 31

Date: September 24, 2025

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Kevin Pranis
Marketing Manager
LIUNA Minnesota and North Dakota

Date: September 24, 2025

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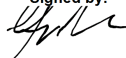
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Richard Kolodziejewski
Director of Government Affairs
North Central States Regional Council of Carpenters

Date: September 24, 2025

Signed by:

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Nate Runke
Regulatory and Political Affairs Coordinator
International Union of Operating Engineers Local 49

Date: September 24, 2025

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George Shardlow
Executive Director
Energy CENTS Coalition

Date: September 24, 2025


Margaret Cherne-Hendrick
Chief Executive Officer
Fresh Energy

Date: September 24, 2025

Beth Soholt
Executive Director
Clean Grid Alliance

Date: _____

Signed by:

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Will Nissen
Director of Policy
Center for Energy and Environment

Date: September 24, 2025

Signed by:

B0BD019D9EBA47B...
George Damian
Director of Government Affairs
Clean Energy Economy Minnesota

Date: September 24, 2025

Staff Decision Options

The Resolving Parties to the Addendum to Settlement Stipulation recommend adoption of Staff Decision Options 5, 7A and B, 8 as modified below, 10, 11, 13A as modified below, 15, 16A-F, 17A-C, 18, 19A-K,⁴ 20, and 21.⁵ The Company and the Partners further support Decision Option 3, on which other Resolving Parties take no position.

The Resolving Parties recommend the following modifications to Decision Options 8 and 13A:

8. Staff: Require Minnesota Power to file in this docket an annual—quarterly report documenting any adjustments to the 5-year capital investment plan, with an explanation of why the adjustments are reasonable, prudent, and consistent with the goals of Settlement Stipulation Paragraphs 1.3–1.4 to ensure the availability of investment funds and the enforceability of the capital commitment. Further require that Minnesota Power make an interim report, providing the same information, if there are any adjustments to the 5-year capital investment plan between annual reports.

Explanation of Proposed Changes: Minnesota Power's 5-year capital investment plan is updated on an annual basis. While the Company does not oppose quarterly reports, most of them would likely identify no change to the annual update. The proposed modifications to this Decision Option are intended to provide reporting on a cadence that will provide the information requested without resulting in additional filings that do not contain useful information.

13A. Staff: Delegate authority to Direct the Executive Secretary to modify the ALJ report as specified herein and to otherwise modify, reject, or add any findings or conclusions, including incorporating modifications proposed by Minnesota Power, the Partners, the Department, ECC, and LIUNA as needed to ensure the findings of fact of the Commission are consistent with the Commission's decisions.

⁴ The Minnesota Department of Commerce takes no position on Decision Option 19.

⁵ While the Resolving Parties do not object to Decision Option 21, they believe it is addressed by Paragraphs 1.40 and 1.41 of the Settlement.

Commissioner Decision Options

The Resolving Parties support adoption of Commissioner Decision Options 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 34, 35, 36, 37, 38, and 39A-D as with modifications described herein.

Ham New 23. Minnesota Power's rate of return on equity is capped at ~~7.25309.78~~ percent (as approved in Docket No. E-015/GR-23-155) and Minnesota Power's equity ratio in its capital structure will be capped at 53.0 percent until December 31st, 2030. This condition does not prohibit Minnesota Power from filing new rate cases or from proposing in rate cases what an ROE would be absent the temporary cap. The Commission may reduce the rate of return on equity by up to 100 basis points if it finds any significant violation of conditions imposed in this docket.

Explanation of Proposed Changes: Customers are already protected by Settlement Paragraph 1.12 from potential increases in the cost of debt as a result of the Acquisition. It is reasonable for the Company to have the opportunity to demonstrate that any increases in the cost of debt are caused by forces outside of its control, such as interest rates and tariffs. The Company and Partners agree, however, to a cap to Minnesota Power's last-authorized ROE, which does not change the Settlement establishing a lower ROE of 9.65 percent until the Company's next rate case. Petitioners also agree to a fixed equity ratio to further address concerns about over-leveraging the Company. The additional proposed modifications seek to reflect that (1) the Company and Partners are not agreeing that market conditions will dictate any particular ROE for the next five years; and (2) violation of conditions could be penalized in the form of reductions to investor returns, apart from the cost of debt.

Ham New 24. Until the end of fiscal year 2030, ALLETE shall file with the Minnesota Public Utilities Commission any and all relevant information required under Securities and Exchange Commission rules which were applicable when ALLETE was publicly traded. The Commission delegates authority to the Executive Secretary to approve or modify the Company's plan for compliance with this requirement, and such plan shall be filed with the Executive Secretary within 30 days after the close of the Acquisition.

Explanation for Proposed Change: The Company proposes to work with the Executive Secretary to facilitate its compliance with this requirement. The word "relevant" was added to clarify that the Executive Secretary will determine information that is relevant for purposes of the filings. For example, there will no longer be public stock and, thus, while the Securities and Exchange Commission requires certain information related to the trading of public stock, no such information will exist after the Acquisition.

Ham New 25. The Minnesota Department of Commerce ~~managed~~ shall be given the opportunity to review and approve the scope of work and review and ask questions related to the audit report of ALLETE's annual financial statement audit by an independent ~~third-party~~ registered accounting firm, prior to the finalization of the audit report, to ensure that the audit will be (as to scope) and was (as to the audit report) conducted in accordance with auditing standards generally accepted in the United States of America ("US GAAS") until the end of fiscal year 2030. ALLETE shall pay

the independent auditor directly for the cost of the audit. ALLETE shall file the result with the Minnesota Public Utilities Commission.

Explanation for Proposed Change: In recognition that the Company's annual audit is conducted by PricewaterhouseCoopers, which is governed by auditors' duties of independence, integrity, and other ethical standards, the Company and Department have coordinated to determine an appropriate and manageable scope of Department oversight.

Ham New 26 (unchanged). Minnesota Power shall continue to comply with the conditions imposed by the April 26, 2002 Commission Order in Docket No. E-015/PA-01-539.

Sieben New 27. In addition to any other commitments, Partners shall pay ~~\$75~~\$50 million in bill credits to Minnesota Power, which MP shall distribute to customers by 2032 on an allocation and schedule to be approved by the Commission in a future proceeding. Within 30 days of the Order, MP shall file a plan assuring that this commitment is legally enforceable between MP and the Partners and irrevocable until fulfilled, even if the Partners sell the Company. The Commission delegates authority to the Executive Secretary to approve this plan if no party files an objection within 20 days of MP's filing. Additionally, MP shall file a proposal for distributing the bill credits either in its next rate case or in a petition by February 1, 2026, whichever is earlier.

Sieben New 28 (unchanged except as to IRP docket timing). MP shall make the following filings, cross filed in this docket and in Docket No. E015/RP-25-127 (the IRP Docket) within the timeframes set forth below unless such timeframes are modified in the IRP Docket. The Commission delegates authority to the Executive Secretary to modify the timelines:

- A. Within 90 days of the Order in this docket, MP shall file an alternative resource plan scenario, henceforth called the "Clean Firm Plan," that takes into account modifications made in this docket and accounts for Minn. Stat. § 216B.1691, subd. 2g (the Carbon-Free Standard) in the most cost-effective manner possible. In the IRP docket, MP shall work with stakeholders to develop a Clean Firm Plan that will incorporate changed circumstances on account of the Stipulation and this Order. The Clean Firm Plan shall:
 - i. Contemplate replacement and/or surplus use of the Boswell interconnection to achieve a lower emission scenario using the externality values that were updated in Docket No. E-999/CI-14-643.
 - ii. Minimize the size and capacity factor of natural gas resources added to minimize the risk of stranded assets for Minnesota Power customers.
 - iii. Include clean firm capacity to be funded by the \$50 million Clean Firm Fund commitment. The filing shall include details on how Minnesota Power plans to use the Fund including the size and type of the resource(s) to be developed, why the proposed resources are the best use of this Fund, in-service date(s) for proposed resources, and additional funding or financing sources being pursued, as applicable.

- B. As ordered in the 2023 IRP, Docket No. E-015/RP-21-33, Minnesota Power shall file in the current IRP Docket amended affiliated interest agreements and updated capacity dedication amounts for the Nemadji Trail Energy Center (NTEC), and parties may analyze whether that amount of NTEC capacity is in the public and ratepayer interest. Minnesota Power shall make the affiliated interest agreement filing by October 15, 2025 in the IRP Docket, and cross-file it in the NTEC affiliated interest agreement docket, No. E-015/AI-17-568.

Explanation for Proposed Change: The limited modification proposed here is intended to add timing flexibility for parties to the IRP Docket. Any IRP timing changes would be subject to Commission approval in that docket.

Sieben New 29 (unchanged). The ALLETE Board shall consist of at least eight independent directors, at least three of whom must be from Minnesota.

Explanation: Accepting this Decision Option will result in a majority of the ALLETE Board consisting of independent directors and four directors of the ALLETE Board (including the CEO) who are from Minnesota. This is an increase in the number of directors who will be from Minnesota compared to the current ALLETE Board, which has three directors from Minnesota (including the CEO). This Decision Option will require revisions to Paragraph 1.23(b)(i) and 1.32(b)(iii) of the Settlement as follows:

Paragraph 1.23(b)(i) is modified as follows: “~~Six~~Eight of the directors will not be employees of ALLETE, GIP, or CPP Investments and will meet the New York Stock Exchange definition of “independent” (the “Independent Directors”).”

Paragraph 1.32(b)(iii) is modified as follows: “~~Two~~Three of the Independent Directors will be Minnesota resident directors.

Partridge New 30. Minnesota Power shall create a Weatherization Fund as follows, using \$10 million in funds provided by Alloy Parent that will be accounted for as a regulatory liability.

- A. Alloy Parent shall make \$2 million installments to the Weatherization Fund annually, beginning January 1, 2026, until the \$10 million commitment is fulfilled. By January 10 of each year until the \$10 million commitment is fulfilled, Minnesota Power shall make a filing with the Commission confirming that the annual payment to the Weatherization Fund has been made.
- B. Alloy Parent and Minnesota Power shall complete all annual contributions to the Weatherization Fund totaling \$10 million no later than January 1, 2030.
- C. Neither contributions to the Weatherization Fund nor portions of an investment or project financed with the Fund are eligible for cost recovery from Minnesota ratepayers.

- D. Energy savings and the associated net benefits achieved through the Weatherization Fund are not eligible to be included in the calculation of Minnesota Power's Energy Conservation and Optimization utility financial incentive.
- E. The objective of the Weatherization Fund is to reduce space and water heating and cooling loads in participating homes. Energy savings may be achieved and expressed in electricity, natural gas, propane, or heating oil savings.
- F. The Weatherization Fund will only be used to support investments in weatherization, ~~and~~ energy conservation, and efficient fuel switching for Minnesota Power electric customers who qualify for low-income Energy Conservation and Optimization services, as determined by Minnesota Statutes § 216B.2402. Income-qualified multifamily buildings are also eligible for participation in the Weatherization Fund. Among eligible customers, Minnesota Power shall prioritize those who use delivered fuel for heating.
- G. The Weatherization Fund shall be used to install measures in the following categories: pre-weatherization, building envelope energy efficiency, heat pump water heaters, ~~and~~ air source heat pumps that can provide space heating and cooling, and enabling technology for participation in load management programs.
- H. No more than 5% of the total Weatherization Fund budget can be used for program administration and delivery.

Explanation for Proposed Change: The Resolving Parties propose limited changes to enhance the potential efficacy and scope of this program, including ensuring availability to income-qualified multifamily homes and incorporating additional forms of conservation/weatherization.

Partridge New 31. Minnesota Power shall submit a plan to the ~~Commission~~Department of Commerce by June 1, 2026, detailing how it proposes to spend the Weatherization Fund for the subsequent three calendar years (2027 through 2029) and every three years thereafter until the fund is fully depleted. The ~~Commission~~Department of Commerce shall approve, modify, or deny the plan.

- A. Minnesota Power shall submit an annual report each April 1, detailing Weatherization Fund achievements compared to forecast for the prior calendar year. The report shall include at least the following data for each program:
 - i. Planned and actual spending
 - ii. Planned and actual participation
 - iii. Types and number of measures installed
 - iv. Planned and actual energy savings, expressed as kWh, Dth, or BTUs
 - v. Planned and actual kW demand reduction
 - vi. Discussion of additional participant, utility, and environmental benefits provided through the Weatherization Fund.

Explanation for Proposed Change: The Resolving Parties propose limited changes to align the process for the Weatherization Fund with the existing process for the Energy Conservation and Optimization ("ECO") programs.

Note on Decision Options 32-36, 39A-D (Individually Addressed Below):

This group of Decision Options reflects interrelated workforce and labor provisions. The Company coordinated carefully with IBEW Local 31 to ensure compatibility between these Decision Options, with existing bargaining agreements, and with the role of union representatives. Decision Option 33 is the only workforce Decision Option not accepted in some form, because collective bargaining agreements determine and govern wages.

Partridge New 32. The Partners and Minnesota Power shall continue to locate Minnesota Power's call center ~~staff, including Customer Care and Support Supervisors, Customer Care and Support Representatives, and Quality Assurance Specialists~~ in Minnesota and maintain staffing levels of no less than 20-22 call center employees ~~(representing 10% below Minnesota Power's historic 5-year average Minnesota call center staffing levels)~~ for at least 10 years.

Partridge New 34. Minnesota Power shall maintain internal expertise to provide high-quality utility service and continue to provide high-quality, Minnesota jobs. The Partners and Minnesota Power shall maintain employee staffing levels of no less than 10% below Minnesota Power's 5-year historic average employment levels (1,078 employees, as calculated based on Minnesota Power's response to IR 12) unless approved by the Commission ~~in a general rate case~~.

Partridge New 35 (unchanged). Minnesota Power shall continue to prioritize local, union labor whenever possible and shall require contractors and subcontractors to pay their workers prevailing wage.

Partridge New 36.⁶ Modify Settlement Stipulation ¶ 1.58 as follows:

Minnesota Power nonunion employees will maintain the same or better position and compensation and benefits in aggregate for ~~two-five~~ years following the close of the transaction. ~~and all existing collective bargaining agreements will be honored. This provision shall be subject to voluntary departures and terminations in the ordinary course and shall not apply to any nonunion employee who voluntarily agrees to a change in position or location. The Company acknowledges IBEW Local 31's exclusive representation as identified in current collective bargain agreements and will continue to honor agreements as they are bargained.~~

Partridge New 37 (unchanged). Modify Settlement Stipulation ¶ 1.71 as follows:

The Partners and Minnesota Power acknowledge Minnesota Power's obligations under Minnesota's Carbon Free Standard Law and commit to support Minnesota Power with additional expertise and capital as necessary to enable Minnesota Power to comply with the Carbon Free Standard through implementation of Commission Orders, including in IRP and related dockets. ~~commit to efforts to achieve Minnesota's Carbon Free Standard with least~~

⁶ Black strikethrough and underline was original to Partridge New 36.

~~cost pathways to compliance ultimately determined by the Commission in IRP and related dockets.~~

Partridge New 38 (unchanged). Minnesota Power shall work with the Minnesota Department of Commerce and other participants in Docket No. E015/RP-25-127 to develop an alternative resource plan scenario without the 750 MW of new combined-cycle natural gas resources proposed in Minnesota Power's March 3, 2025 integrated resource plan. By December 15, 2025, Minnesota Power shall file the alternative scenario accompanied by a qualitative description of the scenario and its costs and benefits, as well as a quantitative analysis of how the scenario performs on the factors listed in Minnesota Rules part 7843.0500, subpart 3.

Tuma New 39A. Within 30 days after the order, the Company shall make a compliance filing identifying the fulltime equivalent employee (FTE) count and the number of employees in each category or division of Minnesota Power such as ~~call center staff, billing, distribution system maintenance, power plant maintenance etc~~ transmission and distribution, generation, and operations support services. The reporting shall identify how many FTEs are union versus nonunion and their work locations. The reporting shall identify contractor work hours related to the job classifications covered under the Company's current collective bargaining agreement. The Commission delegates authority to the Executive Secretary to approve the division classification made by Minnesota Power if no objection is filed by the Department or OAG within 14 days of the compliance filing. Additionally, Minnesota Power shall list the number of those employees with their primary work location in Minnesota and the number of FTEs presently unfilled at the time of the filing.

Tuma New 39B. The Company shall make compliance filings quarterly, on dates designated by the Executive Secretary or by the Commission ~~in a rate case order~~, reporting ~~the number of FTEs, unfilled FTEs, employees and their primary work location for the divisions on the metrics identified in 39A identified~~ in the initial filing or modifications approved by the Commission.

Tuma New 39C. So long as Minnesota Power is owned by Alloy Parent or any successor company affiliated with Global Infrastructure Partners or Canada Pension Plan Investment Board, the Company may not reduce the identified FTE complement for ~~any of these divisions each business area identified in Decision Option 39A by more than 10 percent below Minnesota Power's 5-year historic average employment (as of the date of the Acquisition)~~ or move the primary work location out of Minnesota outside of a rate case without prior Commission approval. The FTE count for each category and associated primary locations shall be reset with approval of the Commission ~~in future rate case orders.~~

Tuma New 39D. Upon filing a request to modify the FTE count in Minnesota or to relocate jobs to primary sites outside of Minnesota (unless it relates to a Company asset located outside of Minnesota) between rate cases, the Company must show such actions are reasonable, prudent, will not reduce service quality, and are in the public interest. The Commission delegates authority to the Executive Secretary to approve the request if no objection is made by the Department or OAG and no request for further investigation is made by a Commissioner within 14 days of the filing of any such request.