

December 19, 2025

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

RE: Response Comments of the Minnesota Department of Commerce  
Docket No. E015/M-24-382

Dear Ms. Bergman:

Attached are the response to reply comments of the Minnesota Department of Commerce (Department) in the following matter:

*In the Matter of Minnesota Power's Petition for Approval of a Transmission Cost Recovery Rider.*

The Petition was filed by Minnesota Power on August 19, 2025 with reply comments filed on December 11, 2025.

The Department recommends the Minnesota Public Utilities Commission (Commission) **approve the Petition**. The Department is available to answer any questions the Commission may have.

Sincerely,

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

AU/MJ/ad  
Attachment



**Before the Minnesota Public Utilities Commission**  
**Response Comments of the Minnesota Department of Commerce**

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Docket No. E015/M-24-382

**I. INTRODUCTION**

The Minnesota Department of Commerce, Division of Energy Resources (Department) provides its response to reply comments in Docket No. E015/M-24-382, petition for approval of a transmission cost recovery rider (Petition) of Minnesota Power (MP or the Company).

**II. PROCEDURAL BACKGROUND**

|                   |  |
|-------------------|--|
| November 13, 2024 | MP submitted its original petition for the Utility's 2025 TCR. <sup>1</sup>                                  |
| February 12, 2025 | The Department filed Comments. <sup>2</sup>  |
| February 24, 2025 | MP filed Reply Comments. <sup>3</sup>  |
| April 8, 2025     | MP filed a request to withdraw its Withdrawn Petition with intent to re-submit at a later date. <sup>4</sup> |
| April 23, 2025    | The Commission filed a Notice and Order Approving Petition to Withdraw Filing. <sup>5</sup>                  |
| August 19, 2025   | MP submitted its Petition for the Utility's 2025 TCR.  |
| November 17, 2025 | The Department filed Comments. <sup>6</sup>  |

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<sup>1</sup> *In the Matter of Minnesota Power's Petition for Approval of a Transmission Cost Recovery Rider under Minn. Stat. § 216B.16, subd. 7b*, Minnesota Power, November 13, 2024, Docket No. E015/M-24-382 (eDockets) [202411-211901-01](#), hereinafter "November Petition."

<sup>2</sup> *In the Matter of Minnesota Power's Petition for Approval of a Transmission Cost Recovery Rider under Minn. Stat. § 216B.16, subd. 7b*, Department of Commerce, Comments, February 12, 2025, Docket No. E015/M-24-382 (eDockets) [20252-215323-01](#), hereinafter "February Comments."

<sup>3</sup> *In the Matter of Minnesota Power's Petition for Approval of a Transmission Cost Recovery Rider under Minn. Stat. § 216B.16, subd. 7b*, Minnesota Power, Reply Comments, February 24, 2025, Docket No. E015/M-24-382 (eDockets) [20252-215723-01](#), hereinafter "February Reply Comments."

<sup>4</sup> *In the Matter of Minnesota Power's Petition for Approval of a Transmission Cost Recovery Rider under Minn. Stat. § 216B.16, subd. 7b*, Minnesota Power, Withdrawal Request, April 8, 2025, Docket No. E015/M-24-382 (eDockets) [20254-217387-01](#).

<sup>5</sup> *In the Matter of Minnesota Power's Petition for Approval of a Transmission Cost Recovery Rider under Minn. Stat. § 216B.16, subd. 7b*, Minnesota Public Utilities Commission, Notice and Order Approving Petition to Withdraw Filing, April 23, 2025, Docket No. E015/M-24-382 (eDockets) [20254-218053-01](#).

<sup>6</sup> *In the Matter of Minnesota Power's Petition for Approval of a Transmission Cost Recovery Rider under Minn. Stat. § 216B.16, subd. 7b*, Department of Commerce, Comments, November 17, 2025, Docket No. E015/M-24-382 (eDockets) [202511-225000-01](#).

December 11, 2025 MP filed Reply Comments.<sup>7</sup>

### III. DEPARTMENT ANALYSIS

#### A. MINNESOTA POWER RESPONSES TO DEPARTMENT REQUESTS FOR ADDITIONAL INFORMATION

##### A.1. First Request for Additional Information

The Department's November 17, 2025, comments requested MP confirm if its proposed "all out" method is comparative to the Otter Tail Power (OTP) method and identify if there are any differences. MP confirmed in its December Reply Comments that the Company's proposed "all out" method is comparative to OTP's method. No differences were identified by MP.

As discussed in the Department's November 17, 2025, comments, OTP proposed a "all out" method where Big Stone Lines, a MISO transmission line, be excluded from OTP's TCR and recovery for this transmission line at a FERC jurisdictional level rather than at the retail level. Essentially, Otter Tail was proposing to keep the net MISO revenues including the FERC ROE which was higher than the Commission approved ROE. The Commission initially denied this proposal, which Otter Tail appealed. This case ultimately ended up at the Minnesota Supreme Court where it was determined that is up to the utility's discretion as to which projects are included in its TCR, and that investors in these types of projects are entitled to the FERC-allowed ROE.<sup>8</sup>

As discussed above, MP notes that the "Minnesota Supreme Court has determined that it is solely in the utility's discretion as to which projects are included in its TCR, and it stands to reason that investors in these types of projects are entitled to the FERC-allowed ROE."<sup>9</sup> Since MP confirmed its method is comparative to OTP's method and no differences were identified, the Department finds MP's proposal reasonable.

##### A.2. Second Request for Additional Information

The Department's November 17, 2025, comments requested MP confirm if its operating and maintenance (O&M) expenses are tracked by each transmission line. The Company verified in its December Reply Comments that O&M expenses are tracked by site specific transmission lines. The Department appreciates MP's tracking of O&M expenses by specific transmission lines. This will allow the Company to properly allocate O&M expenses for future rate cases and riders.

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<sup>7</sup> *In the Matter of Minnesota Power's Petition for Approval of a Transmission Cost Recovery Rider under Minn. Stat. § 216B.16, subd. 7b*, Minnesota Power, Reply Comments, December 11, 2025, Docket No. E015/M-24-382 (eDockets) [202512-225753-01](#), hereinafter "December Reply Comments."

<sup>8</sup> *In re the Appl. of Otter Tail Power Co. for Auth. to Increase Rates for Elec. Serv. in the State of Minn.*, 942 N.W.2d 175, 181 (Minn. 2020).

<sup>9</sup> Petition at 6.

*A.3. Third Request for Additional Information*

The Department's November 17, 2025, comments requested MP confirm that the O&M expenses allocated to the Northland Reliability Project (NRP) and the Alexandria-Big Oaks Project will be excluded in future rate cases and any applicable riders. MP confirmed in its December Reply Comments all O&M expenses for NRP and Alexandria- Big Oaks Project will not be included in future rate cases and future TCR Riders.

The Department appreciates MP's diligence to exclude O&M expenses for NRP and the Alexandria-Big Oaks Project in future rate cases and riders.

*A.4. Fourth Request for Additional Information*

The Department's November 17, 2025, comments requested MP explain and identify any related expenses both direct and allocated for the NRP and the Alexandria-Big Oaks Project that would not be excluded in future rate cases and riders and explain why that is reasonable. The Company stated in its December Reply Comments that all direct and indirect expenses related to the NRP and Alexandria-Big Oak Project will be excluded from the Minnesota jurisdiction in future rate cases and future TCR Riders.

The Department appreciates MP's diligence to exclude all direct and indirect expenses for NRP and the Alexandria-Big Oaks Project in future rate cases and riders.

*A.5. Fifth Request for Additional Information*

Lastly, the Department's November 17, 2025, comments requested MP provide any net credits that it received from MISO for other utilities use of the Duluth Loop and HVDC Modernization projects in 2025. The Company provided the following response in its December Reply Comments:

The Duluth Loop Project is located entirely within the Minnesota Power local balancing authority area and it is a baseline reliability project that does not qualify for cost allocation under the MISO Tariff. Therefore, the Company has not received any direct net credits from MISO for other utilities use of the Duluth Loop project facilities. The HVDC Modernization Project is not projected to be in service until late 2028, at the earliest; therefore, no net credits have been received.<sup>10</sup>

The Department appreciates MP's explanation of the MISO Tariff for the Duluth Loop Project. The Department recommends the Commission require MP to report in future TCR riders any net credits it received from MISO for other utilities use of the HVDC Modernization project once it is in service, as well as any other applicable future projects.

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<sup>10</sup> December Reply Comments at 3.

#### **IV. DEPARTMENT RECOMMENDATIONS**

Based on its review and analysis of the information in the record, the Department has prepared recommendations which are provided below:

- The Department recommends the Commission approve MP's Petition.
- The Department recommends the Commission approve MP's proposed tariff revisions.
- The Department recommends the Commission require MP to report in future TCR riders any net credits it received from MISO for other utilities use of the HVDC Modernization project once it is in service, as well as any other applicable future projects.

## Attachments

## **CERTIFICATE OF SERVICE**

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

**Minnesota Department of Commerce  
Response Comments**

**Docket No. E015/M-24-382**

Dated this **19<sup>th</sup>** day of **December 2025**

**/s/Sharon Ferguson**

| <b>First # Name</b> | <b>Last Name</b> | <b>Email</b>                   | <b>Organization</b>                  | <b>Agency</b>   | <b>Address</b>  | <b>Delivery Method</b>  | <b>Alternate Delivery Method</b> | <b>View Trade Secret</b> | <b>Service List Name</b> |          |
|---------------------|------------------|--------------------------------|--------------------------------------|-----------------|---|---|----------------------------------|--------------------------|--------------------------|----------|
| 1                   | Sasha            | Bergman                        | sasha.bergman@state.mn.us            |                 | Public Utilities Commission                                     | 121 7th PI E Ste 350 St. Paul MN, 55101 United States                 | Electronic Service               |                          | Yes                      | M-24-382 |
| 2                   | Matthew          | Brodin                         | mbrodin@allete.com                   | Minnesota Power |   | 30 West Superior Street Duluth MN, 55802 United States                | Electronic Service               |                          | No                       | M-24-382 |
| 3                   | Mike             | Bull                           | mike.bull@state.mn.us                |                 | Public Utilities Commission                                     | 121 7th Place East, Suite 350 St. Paul MN, 55101 United States        | Electronic Service               |                          | Yes                      | M-24-382 |
| 4                   | Generic          | Commerce Attorneys             | commerce.attorneys@ag.state.mn.us    |                 | Office of the Attorney General - Department of Commerce         | 445 Minnesota Street Suite 1400 St. Paul MN, 55101 United States      | Electronic Service               |                          | Yes                      | M-24-382 |
| 5                   | Sharon           | Ferguson                       | sharon.ferguson@state.mn.us          |                 | Department of Commerce  | 85 7th Place E Ste 280 Saint Paul MN, 55101-2198 United States        | Electronic Service               |                          | No                       | M-24-382 |
| 6                   | Lori             | Hoyum                          | lhoyum@mnpower.com                   | Minnesota Power |   | 30 West Superior Street Duluth MN, 55802 United States                | Electronic Service               |                          | No                       | M-24-382 |
| 7                   | Discovery        | Manager                        | discoverymanager@mnpower.com         | Minnesota Power |   | 30 W Superior St Duluth MN, 55802 United States                       | Electronic Service               |                          | No                       | M-24-382 |
| 8                   | Generic Notice   | Residential Utilities Division | residential.utilities@ag.state.mn.us |                 | Office of the Attorney General - Residential Utilities Division | 1400 BRM Tower 445 Minnesota St St. Paul MN, 55101-2131 United States | Electronic Service               |                          | Yes                      | M-24-382 |