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PUBLIC DOCUMENT  
TRADE SECRET DATA HAS BEEN EXCISED

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June 22, 2016

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

Re: Minnesota Power's Petition for Approval of an Amended and Restated Electric Service Agreement Between United Taconite LLC, Northshore Mining Company and Minnesota Power  
Docket No. E015/M-16-\_\_\_\_\_

Dear Mr. Wolf:

Enclosed for filing with the Commission please find Minnesota Power's Petition for Approval ("Petition") of the Electric Service Agreement Between United Taconite LLC, Northshore Mining Company and Minnesota Power (the "Agreement").

Certain portions of the Petition and the Agreement include trade secret information and are marked as such, pursuant to the Commission's Revised Procedures for Handling Trade Secret and Privileged Data, which procedures further the intent of Minn. Stat. §13.37 and Minn. Rule Part 7829.0500. As required by the Commission's Revised Procedures, a statement providing the justification for excising the Trade Secret Data is attached to this letter.

In accordance with Minn. Rule Part 7829.1300, Minnesota Power has included a Summary with this filing. As reflected in the attached Affidavit of Service, the Summary has been served on all parties on the service list utilized by Minnesota Power for Large Power contract filings.

If you have any questions regarding this letter, please do not hesitate to contact me at the number above.

Yours truly,

A handwritten signature in black ink that reads "David R. Moeller".

David R. Moeller

DRM:sr  
Attach.

## 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, Minnesota Power has designated portions of the attached Petition and exhibits thereto as Trade Secret.

The Petition describes the Electric Service Agreement between Minnesota Power, United Taconite LLC and Northshore Mining Company. This Agreement contains terms and conditions that are materially sensitive to Minnesota Power (due to the specific price and rate identification for electric service to this Large Power customer) and contains Minnesota Power's unique methods, techniques and process for supplying electric service to United Taconite LLC and Northshore Mining Company. The information regarding specific energy pricing methods and process Minnesota Power utilizes to provide its services, combined with the identification of levels of energy usage, is valuable commercial information to both Minnesota Power and United Taconite LLC and Northshore Mining Company, and because of the intensely competitive marketplace United Taconite LLC and Northshore Mining Company operates in, this information is also confidential and Trade Secret to United Taconite LLC and Northshore Mining Company. Minnesota Power and United Taconite LLC and Northshore Mining Company 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 was publicly available, with severe competitive implications resulting.

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

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

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Docket No. E 015/M-16-\_\_\_\_\_

In the Matter of a Petition for Approval of  
an Amended and Restated Electric Service  
Agreement Between United Taconite LLC,  
Northshore Mining Company, and  
Minnesota Power

**PETITION OF  
MINNESOTA POWER**

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**SUMMARY OF FILING**

Minnesota Power has filed a Petition for Approval of an Amended and Restated Electric Service Agreement (“Agreement”) between Minnesota Power, United Taconite LLC (“United Taconite”), and Northshore Mining Company (“Northshore Mining”) (collectively “Cliffs”) which combines into a single agreement Cliffs’ commitment to purchase its electric service from Minnesota Power through at least 2026 at both its United Taconite and Northshore Mining facilities respectively near Eveleth, Minnesota and Babbitt, Minnesota. The Petition describes the Agreement to consolidate service under the Minnesota Power Large Power Service Schedule and summarizes the benefits to both parties.

**STATE OF MINNESOTA  
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**I. INTRODUCTION**

Minnesota Power has filed a Petition for Approval of an Amended and Restated Electric Service Agreement (“Agreement”) between Minnesota Power, United Taconite LLC (“United Taconite”), and Northshore Mining Company (“Northshore Mining”) (collectively “Cliffs”) which combines into a single agreement Cliffs’ commitment to purchase its electric service from Minnesota Power through at least 2026 at both its United Taconite and Northshore Mining facilities, respectively near Eveleth, Minnesota and Babbitt, Minnesota. The Petition describes the Agreement to consolidate service under the Minnesota Power Large Power Service Schedule (“LP Schedule”) and summarizes the benefits to both parties.

The Agreement provides Cliffs with additional operating flexibility and cost reduction potential, while protecting Minnesota Power’s other customers through an extended combined full requirements contract. This Agreement also supports the business strategy of an important regional industrial employer. The Petition describes the Agreement, attached as Exhibit A, and summarizes the benefits to both parties.

This Electric Service Agreement and power agreements with Silver Bay Power Company were eFiled in Minnesota Power’s Integrated Resource Plan docket on June 6, 2016 at the request of Commission Staff. Docket No. E015/RP-15-690. The Electric Service Agreement with United Taconite and Northshore Mining is separate from the power agreements with Silver Bay Power Company and Minnesota Power did not provide Cliffs

compensation related to the Electric Service Agreement for United Taconite and Northshore Mining.

In 2008, Minnesota Power and United Taconite entered into an Electric Service Agreement (“United Taconite Agreement”) dated September 16, 2008 to provide electric service to the United Taconite Facilities that was approved in MPUC Docket E015/M-08-1301 in an order dated July 27, 2009. In 1995, Minnesota Power and Northshore Mining entered into an Electric Service Agreement (“Northshore Mining Agreement”) dated October 31, 1995 to provide electric service to the Northshore Mining Facilities that was approved under MPUC Docket E015/M-95-1284 in an order dated February 2, 1996 and amended on December 27, 1999 that was approved under MPUC Docket No. E015/M-00-262 in an order dated May 15, 2000. If the new Agreement is approved by the Commission, the United Taconite Agreement and the Northshore Mining Agreement will both be terminated and the new combined Agreement will become effective.

## **II. PROCEDURAL ISSUES**

In compliance with Minn. Stat. § 216B.05 of the Minnesota Public Utilities Act and the Commission’s rules promulgated thereunder, Minnesota Power files this Petition for Approval of the Agreement in Minnesota Power’s tariff book in Volume II, Section VII thereunder “Contracts not on Standard Form.” This means that upon Commission approval, the Agreement will become part of Minnesota Power’s tariff book. Minn. Stat. § 216B.05, subd. 2a requires that:

A contract for electric service entered into between a public utility and one of its customers, in which the public utility and the customer agree to customer-specific rates, terms, or service conditions not already contained in the approved schedules, tariffs, or rules of the utility, must be filed for approval by the commission pursuant to the commission’s rules of practice. Contracts between public utilities and customers that are necessitated by specific statutes in this chapter must be filed for approval under those statutes and any rules adopted by the commission pursuant to those statutes.

For this Petition, the customer-specific terms and service conditions under the Agreement are spelled out in Section III.<sup>1</sup> Under the Commission’s Rules of Practice and Procedure, filings that do not require a determination of a utility’s revenue requirement constitute “miscellaneous tariff filings” under Minn. Rules 7829.1300, and the Commission has treated all of Minnesota Power’s electric service agreements under the filing requirement, notice and comment provisions of this Rule. Additional information required by Minn. Rule 7829.1300 is provided below.

**A. General Filing Information**

**1. Summary of Filing (Minn. Rules 7829.1300, subp. 1)**

A one-paragraph summary accompanied the Petition.

**2. Service on Other Parties (Minn. Rules 7829.1300, subp. 2)**

Pursuant to Minn. Stat. § 216.17, subd. 3 and Minn. Rules 7829.1300, subp. 2, Minnesota Power eFiles the Petition on the Department of Commerce – Division of Energy Resources and serves a copy on the Minnesota Office of the Attorney General – Antitrust and Utilities Division. A summary of the filing prepared in accordance with Minn. Rules 7829.1300, subp. 1 is being served on all parties on its Large Power Service list.

**3. Name, Address and Telephone Number of Utility (Minn. Rules 7829.1300, subp. 4(A))**

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

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<sup>1</sup> This Petition is also intended to comply with the Commission’s February 26, 2009 Order in Docket No. E015/M-08-1344).

**4. Name, Address and Telephone Number of Utility Attorney (Minn. Rules 7829.1300, subp. 4(B))**

David R. Moeller  
Senior Attorney  
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30 West Superior Street  
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(218) 723-3963  
dmoeller@allete.com

**5. Date of Filing and Date Proposed Rate Takes Effect (Minn. Rules 7829.1300, subp. 4(C))**

The Petition is being filed on June 22, 2016. Minnesota Power requests that the Agreement be effective on the first day of the calendar month following Commission approval. The Agreement specifies a September 1, 2016 effective date, subject to Commission approval. To the extent allowed by the Commission, Minnesota Power requests an effective date consistent with Minn. Stat. § 216B.16, subd. 1 that allows new rates to be implemented within 60 days after notice, recognizing Minn. Rules 7825.3200 requires notice at least 90 days prior to a change in rates for miscellaneous filings.

**6. Statute Controlling Schedule for Processing the Filing (Minn. Rules 7829.1300, subp. 4(D))**

This Petition is made in accordance with Minn. Stat. § 216B.05 and no statutorily imposed time frame for a Commission decision applies to this filing.

**7. Utility Employee Responsible for Filing (Minn. Rules 7829.1300, subp. 4(E))**

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**8. Impact on Rates and Services (Minn. Rules 7829.1300, subp. 4(F))**

The Petition in and of itself will have no effect on Minnesota Power's base rates.

**9. Service List (Minn. Rules 7829.0700)**

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**B. Trade Secret Designation (Minn. Rule 7825.0500)**

Pursuant to Minn. Stat. §§ 13.01 et seq. and Minn. Rule 7829.0500, Minnesota Power has designated portions of the Petition and the attached Exhibit A as containing Trade Secret Information and these have been redacted as appropriate to reflect the Trade Secret nature of the documents. Trade Secret and Public copies of the Petition and Exhibit A are being eFiled in accordance with the Commission's Rules and Minn. Stat. § 216.17, subd. 3. A statement regarding justification for excising Trade Secret information accompanies this Petition.

**III. THE AGREEMENT**

Individual provisions of the Agreement are reviewed and explained below. This discussion addresses the Commission's directive in Docket No. E015/M-08-1344 that Minnesota Power analyze how the terms of the Agreement integrate with Minnesota Power's Large Power ("LP") Service Schedule. First, and critically important to Minnesota Power and its other ratepayers, is Cliffs' agreement to purchase its electric service requirements for its United Taconite and Northshore Mining facilities from Minnesota Power through at least December 31, 2026. Second, under the Agreement Cliffs can utilize the combined agreement to operate its two facilities on a complementary basis, utilizing the LP Service Schedule terms to effectively manage electric use at both facilities to optimize production thresholds, maintenance outages, nomination terms and other provisions across a greater plant production



landscape. This is helpful for both energy usage and production efficiency. The Agreement allows Minnesota Power to assist its iron ore recovery customer segment in a very challenging economic environment. Third, the Agreement provides Cliffs with additional operating flexibility and cost reduction potential through a curtailable product through the Midcontinent Independent System Operator (“MISO”), modified nomination, maintenance shutdown, and demand modification provisions. Fourth, the Agreement provides updated contract language to reflect modifications to the LP Service Schedule and other updates stemming from Docket No. E015/M-08-1344.

1. Paragraph 2. Term of Agreement

The Agreement provides that the term shall be extended through December 31, 2026, without any prior right of termination. The LP Service Schedule sets forth that “Unless otherwise specifically approved by the Commission, each ESA shall have an initial minimum term of ten (10) years...” Besides Cliffs’ long history as an industrial customer on Minnesota Power’s system, this Agreement meets the minimum term of ten years, subject to Commission approval.

The Agreement continues after December 31, 2026 on a rolling four-year basis until a cancellation notice is issued by either party. The four-year cancellation period complies with the standard LP Service Schedule that states electric service agreements “shall continue in force and effect until either party gives the other party written notice of cancellation at least four years prior to the time such cancellation shall be effective.”

This extension is significant considering the current United Taconite Agreement is in the “rolling” four-year notice of cancellation phase from the date of written notice, making the current earliest possible termination date June 30, 2020 and the Northshore Mining Agreement has a one year cancellation provision under the Large Light & Power Service Schedule (“LL&P Service Schedule”). With this new commitment from a combined large industrial customer, Minnesota Power gains tremendous additional certainty regarding its ability to manage generating capacity and plan for future needs of all its ratepayers.

2. Paragraph 5 - All Electric Service Requirements

Paragraph 5 of the Agreement expressly provides that Cliffs will purchase all of the power and energy required to operate its United Taconite and Northshore Mining facilities from Minnesota Power. The new Agreement provides additional clarity on what facilities are covered under this paragraph and new language allowing Minnesota Power and Cliffs to collaboratively explore and develop potential on-site cogeneration projects that would provide for lower ongoing electric power costs for Cliffs. The LP Service Schedule does not have a provision related to all electric service requirements except that customers who take service under the LP Service Schedule must abide by any terms agreed to in an electric service agreement, subject to Commission approval.

3. Paragraph 3. Large Power Service

(i) Demand

Paragraph 4(A) establishes a Minimum Firm Demand (take-or-pay) of [TRADE SECRET DATA EXCISED]. However, Minnesota Power expects Cliffs will normally nominate as Firm Demand approximately [TRADE SECRET DATA EXCISED] per month, depending on operating plans. Based on this higher Firm Demand nomination, Cliffs will purchase the vast majority of its power and energy requirements as firm service under the Firm and Excess Energy provisions of the LP Service Schedule.

Paragraph 3(C) addresses Cliffs' Firm Service Requirement nominations. Consistent with the United Taconite Agreement and the Demand section of the LP Service Schedule, Cliffs will continue a nominating procedure which will enable Minnesota Power to plan for its short-term capacity and energy needs while providing Cliffs with a flexible mechanism for notifying Minnesota Power of its requirements. The Agreement specifies that the nomination periods are the three-month periods beginning February 1, May 1, August 1, and November 1. Cliffs will notify Minnesota Power on or before each successive January 15, March 15, July 15, and October 15, respectively, for subsequent nomination periods.

Paragraph 3(C)(i) provides that Cliffs will receive the benefit of Firm Power Energy pricing so long as it commits sufficiently in advance of a Nomination Period. In addition, if

Cliffs is unable to commit in advance to its requirements for each month during a Nomination Period, Paragraph 3(C)(ii) provides that Cliffs may still obtain a higher Incremental Firm Demand by providing advance notice prior to the start of the applicable calendar month within a Nomination Period, but will pay the higher Excess Energy rates in accordance with the LP Service Schedule.

In the event Cliffs has a Measured Demand (based on actual meter readings) which exceeds the demand level set by a nomination, Minnesota Power and Cliffs have agreed to a provision in Paragraph 3(C)(iii) applying a demand ratchet for that billing month and for any remaining billing month(s) in the Nomination Period. This provision appropriately reflects the Nomination Period-based demand election structure contained in Paragraph 3 and will encourage Cliffs to give Minnesota Power notification of its power needs prior to the start of a Nomination Period or billing month. Paragraph 3(C)(iv) adds further flexibility by allowing Cliffs Incremental Firm Demand nomination decreases with advance notice by a maximum of **[TRADE SECRET DATA EXCISED]**.

(ii) Energy

The energy charges set forth in the Agreement do not differ significantly from the energy charges which Cliffs and other LP customers currently pay under the LP Service Schedule. To the extent Cliffs elects its Incremental Firm Demand sufficiently in advance of the Nomination Period, it will obtain the benefit of Firm Power. If Cliffs increases its Incremental Firm Demand amount during a Nomination Period, it then takes higher-cost Excess Energy. Finally, under Paragraph 3(B) any energy associated with service above the Incremental Production Service Threshold (“IPST”) will be billed in accordance with the Rider for Large Power Incremental Production Service (“the IPS Rider”).

4. Paragraph 3(C). Allowance for Scheduled Maintenance

This Agreement provides additional operating flexibility to Cliffs by setting the minimum duration of a maintenance period at **[TRADE SECRET DATA EXCISED]**. This flexibility provides Cliffs with additional opportunities to reduce their monthly demand charges and reflect the operating environment of these taconite mines. Lowering operating costs through better utilization of maintenance hours is a critical component of Cliffs’ long-

term survival. The LP Service Schedule does not address allowance for scheduled maintenance.

5. Paragraph 4(D) Decreases in Minimum Billed Demand for Permanent Facility Shutdown

The demand nomination levels established in the Agreement reflects Cliffs's historic commitments. However, in the event of a permanent cessation of operations at the United Taconite or Northshore Mining facilities, Paragraph 4(D) allows for reductions in the take-or-pay Minimum Billed Demand. If there is a permanent cessation of operations at Northshore Mining, the Minimum Billed Demand is reduced to [TRADE SECRET DATA EXCISED] after Cliffs provides Minnesota Power at least [TRADE SECRET DATA EXCISED] advance notice. If there is a permanent cessation of operations at United Taconite, service to Northshore Mining shall be provided under the LL&P Service Schedule after Cliffs provides Minnesota Power at least [TRADE SECRET DATA EXCISED] advance notice. In the extreme event that the United Taconite and Northshore Mining facilities are both permanently shutdown, Cliffs' Minimum Billed Demand is [TRADE SECRET DATA EXCISED] only after at least [TRADE SECRET DATA EXCISED] advance notice. The LP Service Schedule does not address decreases in demand levels for permanent facility shutdowns.

6. Paragraph 3(I) Conservation or Technology Improvements

Cliffs and Minnesota Power share a commitment to continue to improve the production efficiency at the United Taconite and Northshore Mining facilities. Paragraph 3(E) encourages continued demand reductions by providing a flexible mechanism for Cliffs to realize the benefits of permanent demand reduction greater than [[TRADE SECRET DATA EXCISED]. The LP Service Schedule does not address demand reduction improvements.

7. Paragraph 3(D) Curtailable Service

Through this Agreement, Minnesota Power is allowing Cliffs to utilize curtailable products through MISO. Under Paragraph 3(D), Cliffs selects a level of curtailable service ("Curtailable Service") for the Term that can be accredited with MISO in accordance with

Module E-1 of the Tariff and Business Practices Manual for Resource Adequacy, [TRADE SECRET DATA EXCISED]. In consideration of receiving Curtailable Service, [TRADE SECRET DATA EXCISED]. Under the Agreement, Minnesota Power will register and accredit the curtailable amount as a Load Modifying Resource (“LMR”) in accordance with Module E-1 of MISO’s Resource Adequacy tariff. The Agreement specifies the obligations and penalties for noncompliance with any applicable curtailments.

The LP Service Schedule does not address curtailable products through MISO.

#### IV. PUBLIC INTEREST

Minnesota Power’s contractual arrangements with its LP customers have always created significant fixed cost recovery assurances upon which Minnesota Power and its ratepayers could depend. This Agreement continues and extends these fixed cost recovery assurances to a specific customer segment (iron ore recovery) that is competing in a very challenging iron ore market where prices are set at globally determined and very low levels while also providing Cliffs with competitive electric service and operational flexibility under the LP Schedule.

Under the Agreement, assuming for purposes of this Petition a September 1, 2016 effective date, Minnesota Power will realize a minimum [TRADE SECRET DATA EXCISED] in demand revenues alone between September 2016 and December 2026 at current rates. The commitments within the Agreement represent a major contribution toward fixed cost recovery on Minnesota Power’s system. Through this commitment a critical aspect of previous electric service agreements has been maintained, namely that Minnesota Power and its ratepayers are not subject to the full brunt of cyclical changes in the global and North American steelmaking markets.

As the preceding analysis demonstrates, Cliffs’ minimum service requirement commitments under the combined Agreement are very significant. When these commitments are coupled with Cliffs’ obligation to purchase all of its electric service needs from Minnesota Power for at least ten additional years and the addition of a curtailable product through MISO, as provided in the combined Agreement, all of Minnesota Power’s other ratepayers will find

themselves in a better situation than they would otherwise be without this Agreement. No one knows what events await Minnesota Power's other LP customers who play such a critical role in Minnesota Power's financial well-being. As is occurring today on the Iron Range, all of Minnesota Power's LP and LLP taconite customers are facing significant competitive pressures, and the scenario for all ratepayers would look even bleaker without this Agreement and the corresponding revenue assurances the Agreement provides.

Furthermore, while this Agreement is not conditioned up or in any tied to Commission approval under Minn. Stat. § 216B.1696 (Energy-Intensive Trade-Exposed statute) and any associated tariff filings, Minnesota Power and Cliffs both recognize that more flexible electric service agreements along with more competitive rates will significantly assist in sustaining Cliffs' significant taconite operations in northern Minnesota. While Cliffs' operations are within the definition of an EITE customer as defined under Minn. Stat § 216B.1696, subd. 1(c)(1), the Agreement is not otherwise dependent upon or contingent on any EITE related decisions by the Commission. It is the intent of Minnesota Power to continue to evaluate and to utilize customized Electric Service Agreements to best match its electric service to its customers' unique needs where practicable.

The positive impacts that this Agreement will bring to all interested parties are significant and far reaching. Minnesota Power and its ratepayers stand to benefit from the long-term commitments that Cliffs has provided regarding its electric service needs. Cliffs stands to gain from continuing to receive electric service at reasonable rates, through curtailable service, as well as through maintaining operational flexibility. In addition to the parties directly affected, this Agreement is supportive of the regional economy in that it is beneficial to a major regional industrial operation and employer, especially in northeastern Minnesota.

The benefits mentioned in the preceding paragraphs will be realized without any substantial changes to rates provided in Minnesota Power's approved tariffs. The terms of this Agreement are appropriate given Minnesota Power's and Cliffs' needs and unique circumstances. In accordance with the requirements of Minn. Stat. §§ 216B.03, .06, and .07, Minnesota Power has always applied the LP Service Schedule and other applicable tariffs and

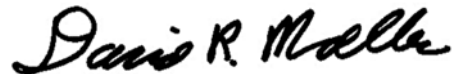
the service agreements it enters into thereunder in a fair and equitable manner between and among its LP customers. Minnesota Power intends to continue this practice by ensuring similar terms and conditions are available to all LP customers who make similar commitments to Minnesota Power. Accordingly, the Amendment meets the public interest requirements of the Minnesota Public Utilities Act.

## V. CONCLUSION

Minnesota Power and Cliffs have reached agreement on an extension of a mutually beneficial contractual arrangement that provides Minnesota Power and its ratepayers with considerable revenue stability. This combined Agreement responds to Cliffs' production environment and provides the United Taconite and Northshore Mining operations with reasonable electric rates and operational flexibility. For all of the reasons set forth in this Petition, Minnesota Power respectfully requests that the Commission issue an Order approving this Petition and the Agreement.

Dated: June 22, 2016

Respectfully submitted,



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**AMENDED AND RESTATED ELECTRIC SERVICE AGREEMENT BETWEEN  
UNITED TACONITE LLC, NORTHSHORE MINING COMPANY, AND MINNESOTA  
POWER**

**THIS AGREEMENT**, entered into this 23<sup>rd</sup> day of May, 2016 between United Taconite LLC and Northshore Mining Company (collectively “Customer”), and Minnesota Power (“Company”), such parties also being hereinafter referred to individually as “Party” or collectively as “Parties.”

**WHEREAS**, United Taconite LLC is operating a taconite mine near Forbes, Minnesota and facility near Eveleth, Minnesota (“United Taconite Facilities”); and

**WHEREAS**, Northshore Mining Company is operating a taconite mine and related mining infrastructure near Babbitt, Minnesota (“Northshore Mining Facilities”); and

**WHEREAS**, Customer and Company entered into an Electric Service Agreement (“United Taconite Agreement”) dated September 16, 2008 to provide electric service to the United Taconite Facilities that was approved in MPUC Docket E015/M-08-1301 in an order dated July 27, 2009; and

**WHEREAS**, Customer and Company entered into an Electric Service Agreement (“Northshore Mining Agreement”) dated October 31, 1995 to provide electric service to the Northshore Mining Facilities that was approved under MPUC Docket E015/M-95-1284 in an order dated February 2, 1996 and amended on December 27, 1999 that was approved under MPUC Docket No. E015/M-00-262 in an order dated May 15, 2000, and

**WHEREAS**, both facilities are wholly owned subsidiaries of Cliffs Natural Resources, Inc., and

**WHEREAS**, the Parties desire to enter into a single Amended and Restated Electric Service Agreement (“Agreement”) under the Large Power Service Schedule to govern electric service at the Customer’s United Taconite Facilities and Equipment and Northshore Mining Facilities and Equipment, as defined herein.



**NOW THEREFORE**, in consideration of these premises and of the mutual agreements made herein, the Parties hereby enter into this Agreement as follows:

**1. DEFINITIONS**

Definitions of terms to be used throughout this Agreement are as follows:

- (A) **Adjusted Demand** shall mean the measured demand adjusted for power factor as defined in the applicable rate schedule.
- (B) **Billing Demand** shall be the greater of the Minimum Billing Demand or the Contract Demand in each billing month.
- (C) **Commission** shall mean the Minnesota Public Utilities Commission or its successor organization.
- (D) **Contract Demand** shall be the kW established in Paragraph 4 and shall be synonymous with Firm Power Billing Demand for purposes of applying the Large Power Service Schedule.
- (E) **Customer's Facilities and Equipment** shall mean the combined United Taconite Facilities and Equipment and the Northshore Mining Facilities and Equipment.
- (F) **Department** shall mean the Minnesota Department of Commerce – Division of Energy Resources or its successor organization.
- (G) **Energy** shall mean the electric consumption requirement measured in kilowatt-hours (“kWh”).
- (H) **Firm Service Level** shall mean the targeted demand reduction level that is specified during the registration process.

- (I) **Holiday** shall mean New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Eve Day, Christmas Day and New Year's Eve Day.
- (J) **Incremental Production Service** shall mean service provided under the Rider for Large Power Incremental Production Service as set forth therein and in Paragraph 3(B). The Rider for Large Power Incremental Production Service shall mean the Rider approved by the Commission on February 4, 1999 in Docket No E-015/M-98-1414 or any superseding rider on another applicable tariff or schedule.
- (K) **IPST** shall mean the Incremental Production Service Threshold as defined in the Rider for Large Power Incremental Production Service and Paragraph 3(B).
- (L) **kW-Day** shall have the meaning provided in Paragraph 3(C).
- (M) **Large Power Schedule ("LP Schedule")** shall mean Company's Large Power Service Schedule as approved by the Commission in Docket No. E-015/M-95-596 or any superseding schedule, applicable tariff or rider.
- (N) **Load Modifying Resource** shall mean a resource used to achieve long-term resource adequacy or a planning resource that is accredited with MISO.
- (O) **Measured Demand** shall be the kW measured during the 15-minute period of customer's greatest use during the month, as summed from all Points of Delivery.
- (P) **Minimum Billing Demand** shall be the quantity of Power that Customer must purchase pursuant to Paragraph 4.
- (Q) **MISO** shall mean the Midcontinent Independent System Operator, Inc. or its successor organization.
- (R) **MISO Tariff** shall mean the rules and regulations that govern MISO modules.

- (S) **Nomination Period** shall mean the three-month periods beginning February 1, May 1, August 1, and November 1.
- (T) **Northshore Mining Facilities and Equipment** shall mean the Customer's facilities, equipment and mine sites located in and around Babbitt, Minnesota, including but not limited to taconite mining, processing and production machinery and equipment along with all the appurtenant facilities.
- (U) **On-site Cogeneration** shall mean a combined process whereby electrical and useful thermal energy are normally produced simultaneously within the Northshore Mining Facilities and Equipment or United Taconite Facilities and Equipment.
- (V) **Paragraph** shall mean a paragraph set forth in this Agreement unless the paragraph is specifically referenced as being contained in another document.
- (W) **Points of Delivery** shall be the points defined by the mechanical connection of Company's primary voltage conductors to the line side of Customer's substation disconnect switches at the locations and service voltages described in this Paragraph. All points of delivery are located in St. Louis County, Minnesota.

115,000 volt service:

1. Fairlane Plant substation located in McDavitt Township, MN on the parcel legally described as the NW 1/4 of the NW 1/4 of Township 56 North, Range 18 West, Section 12.
2. Thunderbird Mine-North substation located in the City of Leonidas, MN on the parcel legally described as the NE 1/4 of the NE 1/4 of Township 58 North, Range 18 West, Section 25.
3. Thunderbird Mine-South substation located in the City of Eveleth, MN on the parcel legally described as the NW 1/4 of the NW 1/4 of Township 57 North, Range 17 West, Section 7.

4. Argo Lake substation located in the City of Babbitt on the parcel legally described as the NE1/4 of the NE1/4 Township 60 North, Range 13 West, Section 24.

5. Where Company's wires attached to Customer's wires on Company Structure #19 of Company's #137 line tap located in in the City of Babbitt the parcel legally described as the SE 1/4 of the SE 1/4 of the Township 60 North, Range 12 West, Section 17.

23,000 volt service:

1. North Shops substation located in the City of Eveleth, MN on the parcel legally described as the NW 1/4 of the SW 1/4 of Township 58 North, Range 17 West, Section 29.

2. Spruce Pit Pumps substation located in the City of Eveleth, MN on the parcel legally described as the NE 1/4 of the NW 1/4 of Township 57 North, Range 17 West, Section 6, Lot 3.

Points of Delivery shall also include any other points that Customer and Company may subsequently agree in writing to add to this definition

**(X) Power** shall mean the electric demand requirement measured in kilowatts ("kW").

**(Y) United Taconite Facilities and Equipment** shall mean the Customer's facilities, equipment and mine sites located in and around Eveleth and Forbes, Minnesota, including but not limited to taconite mining, processing and production machinery and equipment along with all the appurtenant facilities.

Other terms used in this Agreement which are not defined in this Paragraph shall have the definitions provided in the LP Schedule, any other applicable riders thereto, another applicable tariff or schedule or Company's Electric Service Regulations, if defined therein.

2. **TERM OF AGREEMENT**

The term of this Agreement (the “Term”) shall begin on the Effective Date and shall continue until December 31, 2026, without any right of prior termination. The rates set forth in Paragraph 3 shall apply to all Power and Energy taken by Customer hereunder for the term of the Agreement. Service shall continue thereafter until and unless the Agreement is terminated in accordance with its terms. Either party may terminate this Agreement by written notice to the other delivered at least four years prior to termination, provided, however, that termination shall not be effective prior to 11:59 p.m. on December 31, 2026 or a later date of termination specified at least four years in advance.

3. **ELECTRIC SERVICE AND RATES**

**(A) Service under the LP Schedule**

All Power and Energy taken by Customer shall be subject to the terms, conditions, and the rates for demand and energy as specified in the LP Schedule. All energy and demand taken under the LP Schedule shall be subject to Fuel Adjustment and other governmental taxes and assessments as provided in the “ADJUSTMENTS” Section of the LP Schedule or any other applicable schedule or future adjustments. All other terms and conditions of the LP Schedule shall apply.

**(B) Incremental Production Service.**

Customer shall have the right to purchase Incremental Production Service from the Company whenever the customer’s Measured Demand exceeds the IPST, but not greater than 110% of the IPST, under the terms of the Rider for Large Power Incremental Production Service. The IPST shall initially be set to begin [TRADE SECRET DATA EXCISED] and shall remain at that level unless the Billing Demand is increased pursuant to Paragraph 4 of this agreement. If the Billing Demand is adjusted the IPST shall be adjusted by an amount equivalent to the corresponding adjustment in the Billing Demand. Upon notification of a permanent facilities shutdown of Northshore Mining Facilities and Equipment, the minimum IPST will be reset to [TRADE SECRET DATA EXCISED].

Excess reactive Demand will be calculated as indicated in the Large Power Service Schedule; provided, however, Company will not bill the Customer for any excess reactive Demand adjustments associated with metered Demands above the IPST as long as such adjustments do not exceed [TRADE SECRET DATA EXCISED]. If such adjustments exceed [TRADE SECRET DATA EXCISED] Company may, at its sole discretion, bill the Customer and Customer shall pay, for any excess reactive Demand above [TRADE SECRET DATA EXCISED] at the Excess Power Billing Demand charge.

**(C) Allowance for Scheduled Maintenance**

While taking service under the LP Schedule, Customer may elect to be billed at the Measured Demand instead of the Service Requirement for an unlimited number of annual occurrences greater than [TRADE SECRET DATA EXCISED] to correspond with Customer's scheduled maintenance shutdowns. The reduction in kW-Days (as that term is defined in this Paragraph) resulting from any such elections shall not exceed [TRADE SECRET DATA EXCISED] in any calendar year, and under no circumstances can the provisions of this Paragraph be utilized to reduce Customer's Firm Power Billing Demand to a level below [TRADE SECRET DATA EXCISED]. A kW-Day shall be calculated by multiplying the number of kilowatts by which Customer's Measured Demand is below the Service Requirement established pursuant to paragraph 4 by the number of days which a maintenance shutdown lasts. For example, if Customer's maintenance shutdown reduces Measured Demand to [TRADE SECRET DATA EXCISED] in a month in which Customer has established a [TRADE SECRET DATA EXCISED] Service Requirement, and the shutdown lasts for [TRADE SECRET DATA EXCISED], Customer would have utilized [TRADE SECRET DATA EXCISED] allowance for that calendar year. Company must receive written notice no later than [TRADE SECRET DATA EXCISED] (excluding weekends and Holidays) prior to that start of each scheduled maintenance period. The billing months that include such maintenance periods will be prorated accordingly. If after issuing notice under the terms of this Paragraph, Customer wishes to reschedule the maintenance shutdowns, Customer may do so at the sole discretion of the Company.

**(D) Curtailable Service**

Customer selects a level of curtailable service (“Curtailable Service”) for the Term that can be accredited with MISO in accordance with Module E-1 of the Tariff and Business Practices Manual for Resource Adequacy, by selecting a level of firm service (the “Firm Service Level”) of [TRADE SECRET DATA EXCISED].

In consideration of receiving Curtailable Service, [TRADE SECRET DATA EXCISED]

**(E) Conservation or Technology Improvements**

In the event of planned production conservation or technology improvements at Customer’s Facilities and Equipment that will result in a permanent demand reduction greater than [TRADE SECRET DATA EXCISED], Customer shall notify Company of such proposed permanent reduction and both Parties agree to discuss, in good faith, necessary Agreement modifications.

**(F) Permanent Production Changes**

In the event of permanent increases or decrease in production at Customer’s Facilities and Equipment that will result in permanent demand reductions or increases greater than [TRADE SECRET DATA EXCISED], Customer shall notify Company of such proposed permanent changes and both Parties agree to discuss, in good faith, necessary Agreement modifications.

**4. SERVICE REQUIREMENT AND SERVICE REQUIREMENT ADJUSTMENTS**

**(A) Minimum Billing Demand**

For every month during the Term, Customer’s Minimum Billing shall not be less than [TRADE SECRET DATA EXCISED] of Service Requirement per month, regardless of Customer’s actual Power and Energy use or applicable rate schedule(s) during such period.

**(B) Deferred Billing**

In the event Customer nominates at the Minimum Billing Demand level in any month, indicative of no production of taconite pellets or other iron-ore derived products at the United Taconite Facilities and Equipment and the Northshore Mining Facilities and Equipment for at least one billing month, Customer may defer payment of demand charges greater than those associated with the [TRADE SECRET DATA EXCISED] of Billed Demand, including all applicable Riders, that are incurred during the [TRADE SECRET DATA EXCISED] of such interruption.

Repayment of such deferred charges shall be made in [TRADE SECRET DATA EXCISED]. The first such installment shall be due concurrently with the regular weekly billing for electric service following the restart of operations, with subsequent payments due concurrently with each of the weekly billings for each of the [TRADE SECRET DATA EXCISED]. No interest shall be added to the deferred amount. No additional amount may be deferred during any period in which previously deferred charges are being repaid. All other billing arrangements between Company and Customer shall remain in effect. Hypothetical examples of how this Paragraph 4(B) will be applied are contained in Exhibit A to this Agreement.

**(C) Increases and Decreases in Service Requirements.**

(i) Service Requirement Increases Prior to Nomination Period. Customer may elect to increase its Service Requirement to a uniform level (i.e., the same kW amount) for all three billing months in a Nomination Period or non-uniform levels (i.e., varying kW amounts) by providing Company with written notice on or before each successive March 15, July 15, October 15 and January 15 for subsequent Nomination Periods, respectively. Such elections will be considered “Uniform Nomination Period Increases” and “Non-Uniform Nomination Period Increases,” respectively. Upon receipt of a Uniform Nomination Period Increase notice or Non-Uniform Nomination Period Increase notice from Customer, the Service Requirement and Contract Demand levels for each billing month in such Nomination Period set forth in Paragraph 4(A) will be increased to



the level specified in such notice. Energy taken by Customer during each billing month attributable to the increased Contract Demand levels established hereunder shall be considered Firm Power Energy and billed in accordance with the LP Schedule.

(ii) Service Requirement Increases During a Nomination Period. Should Customer determine, after providing the notice required in Paragraph 4(B)(i), that a higher level of Service Requirement is necessary, Customer may elect to increase the Contract Demand for one or more billing months within the Nomination Period by providing Company with written notice prior to the start of the billing month in which the increased Service Requirement is needed. Upon receipt of such notice from Customer, the Service Requirement and the Contract Demand levels for such billing month(s) will be increased to the kW level specified in Customer's notice. Energy taken by Customer during each billing month attributable to any Contract Demand levels established under this Paragraph 4(B)(ii), shall be considered Excess Energy and billed in accordance with the LP Schedule.

(iii) Measured Demands In Excess of Established Service Requirement. In the event that Customer incurs Measured Demand for a billing month which exceeds the Service Requirement established under any of the provisions of Paragraph 4 for such billing month plus the allowable level of Incremental Production Service for such billing month, Customer's Contract Demand and Service Requirement for that billing month and all remaining billings months within that Nomination Period will be increased to match the level of Measured Demand incurred by Customer. Energy taken by Customer during each billing month attributable to any Contract Demand levels established under this Paragraph 4(B)(iii), shall be considered Excess Energy and billed in accordance with the Large Power Service Schedule.

(iv) Service Requirement Decreases During a Nomination Period. Should Customer determine, after providing the notice required in Paragraph 4(B)(i), that a lower Service Requirement level is required, Customer may elect to decrease the Contract Demand levels by a [TRADE SECRET DATA EXCISED] on a monthly basis by providing Company with written notice by the first business day of the prior month in which the

decreased Service Requirement is required. Upon timely receipt of such notice from Customer, the Service Requirement and Contract Demand levels for such billing month(s) will be decreased to the kW level specified in Customer's notice. However, in no event shall the Service Requirement and the Contract Demand be reduced below the Minimum Billing Demand using this Paragraph 4(B)(iv).

(v) Examples. Hypothetical examples of how this Paragraph 4(C) will be applied are contained in Exhibit B to this Agreement.

#### **(D) Decreases in Service Requirements for Permanent Facilities Shutdowns**

In the event of a permanent cessation of operations of the Northshore Mining Facilities and Equipment, the Minimum Billed Demand may be [TRADE SECRET DATA EXCISED].

In the event of a permanent cessation of operations at United Taconite Facilities and Equipment, service to the Northshore Mining Facilities and Equipment will be provided under terms and conditions of the Large Light and Power Service Schedule or some other standard Company service schedule deemed to be more economical to Customer, such change to be effective following [TRADE SECRET DATA EXCISED] of the permanent cessation of operations at United Taconite Facilities and Equipment.

In the event of a permanent cessation of operations at both Customer facilities Minimum Billed Demand may be reduced to [TRADE SECRET DATA EXCISED].

Customer's rescission or modification of notice provided under this paragraph 4(D) shall be permitted at the sole discretion of Company. Hypothetical examples of how this Paragraph 4(D) will be applied are contained in Exhibit C to this Agreement.

5. **ALL ELECTRIC SERVICE REQUIREMENTS**

During the Term of this Agreement, Customer agrees and shall be obligated to purchase solely from Company all of the Power and Energy required to operate the Customer's Facilities and Equipment as previously denoted, including but not limited to, mining, processing and production machinery and equipment along with all appurtenant facilities and equipment. To the extent Customer requires electric service for any newly acquired or constructed equipment at the Customer's Facilities and Equipment which exceeds the caps for service under this Agreement or applicable Schedules and for which rates are not established under the terms of this Agreement or an applicable rate schedule, Customer and Company agree to enter into good faith negotiations to reach agreement on appropriate terms and conditions for the purchase of such electric service which shall be subject to any applicable regulatory approval; provided, however, that failure to reach agreement on such terms or obtain regulatory approval thereof shall not affect any other aspect of this Agreement. During the Term of this Agreement the Parties shall have the right to collaboratively explore and develop potential On-site Cogeneration projects as well as the various business arrangements governing the ownership and operation of all On-site Cogeneration facilities that could provide for lower ongoing total electric power costs to Customer or create value to the Company. Should joint exploratory efforts regarding On-site Cogeneration projects prove unsuccessful at adequately containing Customer's total electric power costs and Company's tariff rate structures become more costly than the net total electric power costs Customer will incur from an On-site Cogeneration project without Company participation, then Company agrees to consider in good faith Customer proposals for On-site Cogeneration that may be permitted by law, with or without Company participation, such that Customer can remain a more viable business enterprise than would otherwise be the case should the Customer continue to take service under the current terms and conditions contained herein. These exceptions notwithstanding, Customer agrees that the entire electric service requirement commitment provided in this Paragraph precludes any right to construct, operate, or utilize self-generating capacity or to purchase electric service from any other person or party to meet the Power and Energy requirements of the Customer's Facilities and Equipment during the term of this Agreement regardless of any changes in applicable

law. The entire electric service requirement commitment provided in this Paragraph shall be in addition to, and not in replacement of, any other obligation arising under this Agreement. In the event of incorporation of new generation options at Customer's Facilities and Equipment as a part of Company's Integrated Resource Planning process, both Parties agree to discuss, in good faith, necessary Agreement modifications.

**6. APPLICABLE RATE SCHEDULE(S)**

(A) Customer shall pay for all service in accordance with this Agreement, the LP Schedule, and any applicable tariffs or riders thereto in effect from time to time, except as otherwise provided in this Agreement. The LP Schedule, and all applicable riders are attached hereto as Exhibit D and are incorporated by reference and made a part hereof. Said schedules and riders shall be replaced by any applicable superseding schedules and riders and such new schedules and riders or other new rates or prices shall become effective as soon as permitted by any regulatory body having jurisdiction, and such replacement will not require concurrence or acceptance by Customer unless otherwise provided in this Agreement. In the event that the Minnesota State Legislature enacts economic development or other favorable rate structures tailored to energy intensive customers, the Parties will enter into good faith discussions to investigate whether those rate structures should be incorporated into this Agreement.

(B) In the event that the Commission's regulatory responsibilities are altered and/or the Commission ceases to regulate the bundled retail electric service rates of Customer during the term of this Agreement, Customer and Company agree that all of the rates, terms, conditions and other provisions applicable to Company's sale of electric service to Customer then contained in any rate schedule, tariff, rider or electric service regulation shall, to the extent necessary to effectuate enforcement of this Agreement, be incorporated within and become part of this Agreement.

(C) With respect to rates and charges that are adjusted on a monthly or annual basis pursuant to Commission and/or Department oversight and which cannot continue to be adjusted by applying existing or new rate schedules, riders, tariffs or service regulations

absent such regulatory oversight, Customer and Company agree to use good faith efforts to promptly determine an appropriate substitute adjustment mechanism which most closely tracks the adjustment mechanism that can no longer be applied. Such adjustment mechanisms would include by way of example and not limitation, Fuel Adjustments. In the event the parties are unable to reach an agreement on an appropriate substitute adjustment mechanism which most closely tracks the discontinued adjustment mechanism within 60 days of the date legislation or administrative action invalidating the adjustment mechanism became effective, the matter shall be submitted for arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The Parties agree that such Commercial Arbitration Rules will be varied if necessary to provide for three arbitrators, with one arbitrator to be selected by each Party and the third arbitrator to be selected by the other two arbitrators so chosen. The decision of the arbitrators shall apply retroactively to the date the adjustment mechanism ceased to be in effect.

**(D)** If Company offers new or lower rates, products, services, and/or other terms or conditions (“New Rates”) to other present or future members of the Large Power Class (or a successor class of service), and such New Rates are approved by the Commission, Company shall, within thirty (30) days of such approval, provide Customer with notice of the availability of such New Rates. Unless the circumstances under which the Customer takes service from Company are materially different than those pertaining to the customer for whom the New Rates were designed, the Company will make the New Rates available to Customer, either through a change in the Tariff or in an amendment to this Agreement, whichever is appropriate to the circumstances. The provisions of this Paragraph shall apply throughout the entire term of this Agreement notwithstanding any changes in the Minnesota Public Utilities Act or significant alteration of the Commission’s regulatory responsibilities.

Additionally, Customer shall also have the opportunity to select additional curtailable products including peak shaving, non-emergency curtailment, or other products on an annual basis. Company will offer all such products to Customer immediately upon regulatory approval of applicable rider or tariff approvals, and such supplemental credit

shall begin upon appropriate accreditation and beginning of suitable MISO planning year or other such planning period designated by the type of product.

7. **SERVICE CONDITIONS**

**Additional System Costs.** The Customer is responsible for any additional costs imposed on Company's system due to the operating characteristics of the Customer's load, including, but not limited to, costs associated with regulation and frequency response and reactive supply and voltage control. Company reserves the right to review, recommend and approve changes to the electrical distribution system for the Customer facilities to avoid adverse impact on the Company's transmission system. The billing adjustment for excess reactive demand or minimum power factor requirement specified in the applicable rate schedule will apply.

8. **PAYMENT**

Service received under this Agreement shall be billed under terms consistent with those defined in the Company's Rider for Expedited Billing Procedures Large Power Class as approved by the Commission in Docket No. E015/GR-87-223. Bill payment is due in "same day funds" seven (7) days following issuance of the bill, the "Due Date" for payment. Weekly billing is based on estimated electric service usage, including the minimum demand charge, and not on an actual meter reading. Weekly billing payment received and charges for actual service usage will be reconciled each month.

Customer will receive credit for weekly billing payment reflecting the time value of funds made available to Minnesota Power earlier than such funds otherwise would have been available under the Company's standard monthly billing cycle.

9. **GENERAL**

**(A) Operating Practices.** Operating practices and standards of performance shall conform to those recognized as sound practices within the utility industry. In making delivery of Power and Energy, Company shall exercise such care as is consistent with

normal operating practice through the use of all available facilities to minimize and smooth out the effects of sudden load fluctuation or other voltage or current characteristics as may be detrimental to Customer's operations. Customer shall not purchase any service from Company for purposes of resale of said service to any other entity or to Company.

**(B) Metering.** All Power and Energy delivered hereunder by Company to Customer at Points of Delivery shall be metered on Company's equipment installed on: the 115,000 volt side of Customer's Fairlane, North Crusher and South Crusher substations; and on the 23,000 volt side of Customer's North Shops and Spruce Pit Pump substations; and on the 4,160 volt side of Customer's Crusher No. 1, Crusher No. 2, South Mine, Argo Lake, and Southwest Mine substations and will be added directly together to determine combined metered demand.

Except as otherwise provided herein, all electric service provided by Company during the term of this Agreement to existing customer sites and any new meter(s) or facility(s) shall be billed in accordance with the terms defined in the Large Power Service Schedule.

Metering at the North Shops and Spruce Pit Pump substations will be calibrated to compensate for Company's distribution system losses. Loss compensation will be 2% at a loading of 50% of the historical peak values in 2000.

Metering at the Crusher No. 1, Crusher No. 2, South Mine and Southwest Mine substations will be adjusted to the voltage of delivery by adding two (2) percent to the values of kW, kWh and KVARh.

Metering at the Argo Lake substation is adjusted to the voltage of delivery within the meter according to the transformer specifications.

**(C) Successors and Assigns.** This Agreement shall be binding upon the respective Parties, their successors and assigns, on and after the Effective Date; provided, however, that neither Party may assign this Agreement or any rights or obligations hereunder

without the prior written consent of the other Party, which consent shall not unreasonably be withheld. In the event Customer's sells either the United Taconite Equipment and Facilities or the Northshore Mining Equipment and Facilities, both Parties agree to discuss, in good faith any necessary Agreement modifications or new electric service agreements.

**(D) Electric Service Regulations.** Company's Electric Service Regulations attached hereto as Exhibit E, are made a part of this Agreement insofar as they are appropriate and applicable to and not inconsistent with this Agreement.

**(E) Regulation and Administrative Approval.** Customer acknowledges that the rates to be charged to Customer are not fixed by the terms of this Agreement, but rather that the electric service made available by Company under the terms of this Agreement is provided pursuant to the rates (and other terms and conditions of service) set forth in the Company's applicable Large Power Service Schedule, Riders applicable to service provided under the Large Power Service Schedule, and the Company's Electric Service Regulations and/or other supplementary or superseding rate schedules, riders, and regulations in effect from time to time during the term of this Agreement. All Tariffs are subject to change at any time during the term of this Agreement upon the approval of the Commission. Company and Customer agree that Company is free to propose to the Commission at any time during the term of this Agreement any change in the level of rates or modification to the applicable rate design of Company's rates that Company deems appropriate. Both Parties agree that they shall be bound by any new level of rates or rate design approved by the Commission and applicable to the electric service to be rendered by Company to Customer under this Agreement. In the event that any term or condition of service covered by this Agreement is not deemed to be subject to Commission regulation and approval, then any change or modification of that term or condition of service shall only be made by mutual agreement of the parties. The Parties also acknowledge that this Agreement itself is considered by the Commission to be a tariff and is subject to approval by the Commission pursuant to Minnesota Statutes Section 216B.05, subdivision 2a. Company and Customer agree that by executing this Agreement, Customer is not, and should not be construed as, forfeiting or relinquishing



any right that Customer has under applicable laws and regulations to: (a) oppose any petition or application by the Company to add any new, or modify any existing, tariff, rate, schedule, rider or regulation that is or may become applicable to service under this Agreement; (b) file any petition or application with the Commission seeking to add any new, or modify any existing tariff, rate, schedule, rider or regulation that is or may become applicable to service under this Agreement; (c) file any petition or application with the Commission seeking an interpretation or abrogation of any provision of this Agreement as being contrary to public policy or any specific law or regulation governing the provision of electric service by Company to Customer; or (d) otherwise participate in any proceeding before the Commission that may affect Customer's interests under this Agreement or its interests as a customer of the Company.

**(F) Effective Date.** This Agreement shall be effective September 1, 2016 or such later date as determined by the Commission (the "Effective Date"). In the event this Agreement 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, Company and Customer agree to immediately make a good-faith effort to renegotiate the terms of this Agreement to accommodate regulatory requirements. In the event that the Parties are unable to reach agreement on such modifications or revisions resulting from a regulatory denial, conditioned regulatory approval or material regulatory modification, this Agreement shall be null and void and the United Taconite Agreement and the Northshore Mining Agreement shall remain in effect.

**(G) Notices.** Any notice, election or other correspondence required or permitted under this Agreement shall become effective upon receipt and, except invoices and payments, shall be deemed to have been properly given or delivered when made in writing and delivered personally to the authorized representative of the Parties designated below, or when sent by mail, telecopy, or nationally recognized overnight courier, and addressed to the authorized representative of the Parties designated below at its specified address:

TO: Minnesota Power  
Vice President – Marketing and Corporate Communications  
Minnesota Power  
30 West Superior Street  
Duluth, MN 55802

TO: United Taconite LLC  
General Manager  
P.O. Box 180 County  
County Highway 16  
Eveleth, MN 55734

Northshore Mining Company  
General Manager  
10 Outer Drive  
Silver Bay, MN 55614

With a Copy to:

Cliffs Natural Resources  
Director of Global Energy Procurement  
200 Public Square, Suite 3400  
Cleveland, OH 44114-2315

And

Andrew P. Moratzka  
Stoel Rives LLP  
33 South Sixth St., Suite 4200  
Minneapolis, MN 55402

**(H) Confidentiality and Non-disclosure.** No party hereto shall disclose any information regarding any part of this Agreement not otherwise included in Company's nonproprietary Petition for Approval filed with the Commission except to the extent that disclosure is required by law, required for evidentiary purposes in any legal proceeding relating to enforcement of this Agreement, required for filing reports with or furnishing information to the regulatory authorities having jurisdiction over Company and other appropriate governmental authorities, required for purposes of obtaining financing, or upon written consent of all parties to this Agreement. Where disclosure to non-parties is required, notice shall be given to all other parties, and to the extent possible, such notice

shall be given in advance of disclosure. Notwithstanding the foregoing, the parties acknowledge that the Company is required to file this Agreement for approval with the Commission accompanied by a Petition for Approval. The Company agrees to seek protection of the confidential Information in this Agreement under the Commission's Minnesota Rule 7829.0500. The Company agrees that the public version of this Agreement will redact only such confidential information that properly constitutes proprietary information, trade secrets, or other privileged information as defined by applicable Minnesota laws.

**(I) Representation and Warranties.** Company and Customer represent and warrant to the other that: (i) they are duly organized and validly exist in good standing under the laws of their state or province of incorporation and have all requisite power and authority to enter into this Agreement and to carry out the terms and provisions thereof and hereof; (ii) the person(s) executing this Agreement on behalf of that Party are duly authorized and empowered to bind their respective Party to this Agreement; (iii) all actions necessary under the United Taconite LLC and Northshore Mining Company articles of incorporation to bind Customer fully and irrevocably to the obligations set forth in this Agreement have been taken and that no further corporate or other action is necessary for such authorization and empowerment to be effective and (iv) there is no action, proceeding, or investigation current or pending, and no term or provision of any charter, by-law, certificate, license, mortgage, indenture, contract, agreement, judgment, decree, order, statute, rule or regulation (except the regulatory approval requirements of Minn. Stat. §216B.01 et. seq.) which in any way prevents, hinders or otherwise adversely affects or would be violated by entering into and performing this Agreement.

**(J) Previous Agreements, Amendments, Waiver and Captions.** Upon implementation, this Agreement supersedes and replaces the prior United Taconite Agreement and the Northshore Mining Agreement and all subsequent amendments of those Electric Service Agreements in their entirety. All other previous communications between Company and Customer either oral or written are hereby abrogated. No amendment, modification or waiver of, or consent with respect to any provision of this Agreement shall be effective unless the same shall be in writing and signed and delivered

by both Parties and then any such amendment, modification, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given and shall not be deemed a waiver with respect to any subsequent default or other matter. The captions and headings appearing in this Agreement are inserted merely to facilitate reference and shall have no bearing upon the interpretation of the provisions contained in this Agreement.

**IN WITNESS WHEREOF**, the Parties have executed this Agreement by their duly authorized officers as of the date first written above.

**United Taconite LLC**

By: \_\_\_\_\_

Title: \_\_\_\_\_

**Northshore Mining Company**

By: \_\_\_\_\_

Title: \_\_\_\_\_

**ALLETE, INC.**

By: \_\_\_\_\_  
Alan R. Hodnik

Title: President and CEO

**MINNESOTA POWER**, an Operating Division of ALLETE, Inc.

By: \_\_\_\_\_  
Patrick K. Mullen

Title: Vice President - Marketing & Corporate Communications

Examples for the ESA between United Taconite LLC, Northshore Mining Company and Minnesota Power

**Exhibit A**

**Deferred Billing**

**Applicable to Service through December 31, 2026**

**Deferred Billing**

**Example 1:** Both facilities idled for eighteen months

Example 1: Both facilities idled for eighteen months

- By January 15<sup>th</sup>, March 15<sup>th</sup>, July 15<sup>th</sup> and October 15<sup>th</sup> nominations of [TRADE SECRET DATA EXCISED] were received, the Minimum Service Requirement, for the February - January nomination periods, indicative of no production of taconite pellets or other iron-ore derived products at the United Taconite Facilities and Equipment and the Northshore Mining Facilities and Equipment starting February 1<sup>st</sup>.

**Monthly Nomination:** [TRADE SECRET DATA EXCISED]

**Monthly Demand Paid:** [TRADE SECRET DATA EXCISED]

**Monthly Deferred Demand:** [TRADE SECRET DATA EXCISED]

[TRADE SECRET DATA EXCISED]

[TRADE SECRET DATA EXCISED]

- By January 15<sup>th</sup> and March 15<sup>th</sup> nominations of [TRADE SECRET DATA EXCISED] were received, the Minimum Service Requirement, for the February - July nomination periods, [TRADE SECRET DATA EXCISED].
- The allowed twelve months of deferred demand charges were exhausted during the prior twelve months, February – January, therefore Customer must pay all demand charges.

**Monthly Nomination:** [TRADE SECRET DATA EXCISED]

**Monthly Demand Paid:** [TRADE SECRET DATA EXCISED]

**Monthly Deferred Demand:** [TRADE SECRET DATA EXCISED]

[TRADE SECRET DATA EXCISED]

[TRADE SECRET DATA EXCISED]

- By July 15<sup>th</sup>, October 15<sup>th</sup>, January 15<sup>th</sup> and March 15<sup>th</sup> nominations of [TRADE SECRET DATA EXCISED] were received, [TRADE SECRET DATA EXCISED] the Minimum Service Requirement, for the August - July nomination periods, [TRADE SECRET DATA EXCISED] on August 1<sup>st</sup>.
- Upon the return of production on August 1<sup>st</sup>, the deferred charges shall be made in [TRADE SECRET DATA EXCISED]

**Monthly Nomination:** [TRADE SECRET DATA EXCISED]

**Monthly Firm Demand Paid:** [TRADE SECRET DATA EXCISED]

**Monthly Deferred Demand paid:** [TRADE SECRET DATA EXCISED]

[TRADE SECRET DATA EXCISED]

[TRADE SECRET DATA EXCISED]



Examples for the ESA between United Taconite LLC, Northshore Mining Company and Minnesota Power

## Exhibit B

### Service Requirement and Service Requirement Adjustments

Applicable to Service through December 31, 2026

#### SERVICE REQUIREMENT AND SERVICE REQUIREMENT ADJUSTMENTS

**Example 1:** Firm Nomination at Minimum Service Requirement = [TRADE SECRET DATA EXCISED]

**Example 2:** Firm Nomination of [TRADE SECRET DATA EXCISED], below the IPST of [TRADE SECRET DATA EXCISED]

**Example 3:** Both facilities at full production: Firm Nomination of [TRADE SECRET DATA EXCISED]

**Example 4:** Uniform Firm Nomination, with Nomination increase during the Nomination Period

**Example 5:** Uniform Nomination with Nomination Decrease during Nomination Period

**Example 6:** Measured Demand in Excess of the Allowed Total Demand

Examples for the ESA between United Taconite LLC, Northshore Mining Company and Minnesota Power

Nomination Examples

Minimum Service Requirement: [TRADE SECRET DATA EXCISED]

Nomination Periods: February – April nomination due January 15th  
May – July nomination due March 15th  
August – October nomination due July 15th  
November – January nomination due October 15th

Example 1: Minimum Service Requirement nomination

- By January 15<sup>th</sup> a nomination of [TRADE SECRET DATA EXCISED] was received, the Minimum Service Requirement, for the February - April nomination period.

|               |                             |                                   |
|---------------|-----------------------------|-----------------------------------|
| Demand:       | [TRADE SECRET DATA EXCISED] | Firm Demand                       |
| Energy:       | [TRADE SECRET DATA EXCISED] | Firm Energy                       |
| Not Eligible: |                             | IPS Energy (IPST is [TRADE SECRET |
| DATA EXCISED] |                             |                                   |
|               | [TRADE SECRET DATA EXCISED] | Excess Energy                     |

[TRADE SECRET DATA EXCISED]

[TRADE SECRET DATA EXCISED]

Examples for the ESA between United Taconite LLC, Northshore Mining Company and Minnesota Power

Example 2: Firm nomination below IPST

- By March 15<sup>th</sup>, Customer nominates [TRADE SECRET DATA EXCISED] for the May – July nomination period.

Demand: [TRADE SECRET DATA EXCISED]: Firm Demand

Energy: [TRADE SECRET DATA EXCISED]: Firm Energy  
Not Eligible: IPS Energy (IPST is [TRADE  
SECRET DATA EXCISED]

[TRADE SECRET DATA EXCISED]: Excess Energy

[TRADE SECRET DATA EXCISED]

[TRADE SECRET DATA EXCISED]

Examples for the ESA between United Taconite LLC, Northshore Mining Company and Minnesota Power

Example 3: Both facilities at full production: Firm Nomination of [TRADE SECRET DATA EXCISED]

- By July 15<sup>th</sup>, a nomination of [TRADE SECRET DATA EXCISED] is received, higher than the IPST, for the August – October nomination period.
- Measured Demand can't exceed [TRADE SECRET DATA EXCISED]. In the event that it does, Customer will be billed excess energy in all hours that exceed [TRADE SECRET DATA EXCISED] and their billed firm demand will be increased accordingly.

|         |                              |             |
|---------|------------------------------|-------------|
| Demand: | [TRADE SECRET DATA EXCISED]: | Firm Demand |
| Energy: | [TRADE SECRET DATA EXCISED]: | Firm Energy |
|         | [TRADE SECRET DATA EXCISED]: | IPS Energy  |

[TRADE SECRET DATA EXCISED]

[TRADE SECRET DATA EXCISED]

Examples for the ESA between United Taconite LLC, Northshore Mining Company and Minnesota Power

Example 4: Uniform Nomination with Nomination Increase during Nomination Period

- By October 15<sup>th</sup>, a nomination of [TRADE SECRET DATA EXCISED] is received, higher than the IPST, for the November – January nomination period.
- By December 1<sup>st</sup>, a request to increase the Firm Nomination [TRADE SECRET DATA EXCISED] for the remainder of the Nomination Period is received, up to [TRADE SECRET DATA EXCISED], for December and January. Energy is billed as excess energy.
- Measured Demand can't exceed [TRADE SECRET DATA EXCISED] in November and [TRADE SECRET DATA EXCISED] in December and January. In the event that it does, Customer will be billed additional excess energy in all hours that exceed those levels and their billed firm demand will be increased accordingly.

|         |          |  |  |
|---------|----------|--|--|
| Demand: | Nov:     | [TRADE SECRET DATA EXCISED]:   | Firm Demand                                |
|         | Dec-Jan: | [TRADE SECRET DATA EXCISED]:   | Firm Demand                                |
| Energy: | Nov:     | [TRADE SECRET DATA EXCISED]:<br>[TRADE SECRET DATA EXCISED]:                                 | Firm Energy<br>IPS Energy                  |
|         | Dec-Jan: | [TRADE SECRET DATA EXCISED]:<br>[TRADE SECRET DATA EXCISED]:<br>[TRADE SECRET DATA EXCISED]: | Firm Energy<br>Excess Energy<br>IPS Energy |

[TRADE SECRET DATA EXCISED]

[TRADE SECRET DATA EXCISED]

*Note: In the event United Taconite and Northshore Mining Co. wish to set a higher Incremental Firm Demand level for one or more billing months within the Nomination Period, they must provide written notice prior to the start of the calendar month in which the increased Service Requirement is needed.*

Examples for the ESA between United Taconite LLC, Northshore Mining Company and Minnesota Power

Example 5: Uniform Nomination with Nomination Decrease during Nomination Period

- By January 15<sup>th</sup>, a Firm Nomination of [TRADE SECRET DATA EXCISED] is received, higher than the IPST, for the February – April nomination period.
- By January 30<sup>th</sup>, a request to reduce the Firm Nomination by [TRADE SECRET DATA EXCISED] is received, down to [TRADE SECRET DATA EXCISED], for March and April.
- Measured Demand can't exceed [TRADE SECRET DATA EXCISED] in February and February and [TRADE SECRET DATA EXCISED] in March and April. In the event that it does, Customer will be billed excess energy in all hours that exceed those levels and their billed firm demand will be increased accordingly.

|         |          |  |                           |
|---------|----------|--|---------------------------|
| Demand: | Feb:     | [TRADE SECRET DATA EXCISED]:                                 | Firm Demand               |
|         | Mar-Apr: | [TRADE SECRET DATA EXCISED]:                                 | Firm Demand               |
| Energy: | Feb:     | [TRADE SECRET DATA EXCISED]:<br>[TRADE SECRET DATA EXCISED]: | Firm Energy<br>IPS Energy |
|         | Mar-Apr: | [TRADE SECRET DATA EXCISED]:<br>[TRADE SECRET DATA EXCISED]: | Firm Energy<br>IPS Energy |

[TRADE SECRET DATA EXCISED]

[TRADE SECRET DATA EXCISED]

*Note: In the event United Taconite and Northshore Mining Company wish to decrease the amount of Incremental Firm Demand by a maximum of [TRADE SECRET DATA EXCISED], they must provide written notice by the first business day at least 30 days prior to the start of the calendar month in which the decreased Service Requirement is required.*

Examples for the ESA between United Taconite LLC, Northshore Mining Company and Minnesota Power

Example 6: Measured Demand in Excess of the Allowed Total Demand

- By March 15<sup>th</sup>, a Firm Nomination of [TRADE SECRET DATA EXCISED] is received, higher than the IPST, for the May - July nomination period.
- In June, Customer has a Measured Demand of [TRADE SECRET DATA EXCISED] higher than the Allowed Total Demand. This results in the Customer's Total Firm Demand Level for June and July to be increased accordingly.

|         |          |   |  |
|---------|----------|---|--|
| Demand: | May:     | [TRADE SECRET DATA EXCISED]:  | Firm Demand                                |
|         | Jun-Jul: | [TRADE SECRET DATA EXCISED]:<br>[TRADE SECRET DATA EXCISED]:                                | Firm Demand<br>Firm Demand                 |
| Energy: | May:     | [TRADE SECRET DATA EXCISED]:<br>[TRADE SECRET DATA EXCISED]:                                | Firm Energy<br>IPS Energy                  |
|         | Jun-Jul: | [TRADE SECRET DATA EXCISED]:<br>[TRADE SECRET DATA EXCISED]<br>[TRADE SECRET DATA EXCISED]: | Firm Energy<br>Excess Energy<br>IPS Energy |

[TRADE SECRET DATA EXCISED]

[TRADE SECRET DATA EXCISED]

**Exhibit C**

**Decreases in Service Requirements for Permanent Facilities Shutdowns**

**Applicable to Service through December 31, 2026**

**Example 1:** Permanent cessation of operations at Northshore Mining Facilities

**Example 2:** Permanent cessation of operations at Northshore Mining Facilities, IPST lowered

**Example 3:** Permanent cessation of operations at United Taconite Facilities

**Example 4:** Permanent cessation of operations at both Customer facilities



Examples for the ESA between United Taconite LLC, Northshore Mining Company and Minnesota Power

Example 1: Permanent cessation of operations at Northshore Mining Facilities, the Minimum Billed Demand may be reduced to [TRADE SECRET DATA EXCISED] written notice.

- By January 15<sup>th</sup> nomination is [TRADE SECRET DATA EXCISED], their Minimum Service Requirement, for the February - April nomination period.

|         |                              |  |
|---------|------------------------------|--|
| Demand: | [TRADE SECRET DATA EXCISED]: | Firm Demand                                      |
| Energy: | [TRADE SECRET DATA EXCISED]: | Firm Energy                                      |
|         | [TRADE SECRET DATA EXCISED]: | IPS Energy (IPST is [TRADE SECRET DATA EXCISED]) |
|         | [TRADE SECRET DATA EXCISED]  | Excess Energy                                    |

[TRADE SECRET DATA EXCISED]

[TRADE SECRET DATA EXCISED]

Examples for the ESA between United Taconite LLC, Northshore Mining Company and Minnesota Power

Example 2: Northshore Mining Company issues permanent facilities shutdown notice, IPST lowered to [TRADE SECRET DATA EXCISED]

- By August 1<sup>st</sup>, [TRADE SECRET DATA EXCISED] to the Nomination Period, Northshore Mining Company issues written notice to the Company of a permanent facility shutdown.
- By July 15<sup>th</sup>, United Taconite nominates [TRADE SECRET DATA EXCISED], equal to the new IPST, for the August – October nomination period.
- Measured Demand [TRADE SECRET DATA EXCISED]. In the event that it does, Customer will be billed excess energy in all hours that [TRADE SECRET DATA EXCISED] and their billed firm demand will be increased accordingly.

Demand: [TRADE SECRET DATA EXCISED]: Firm Demand

Energy: [TRADE SECRET DATA EXCISED]: Firm Energy  
[TRADE SECRET DATA EXCISED]: IPS Energy

[TRADE SECRET DATA EXCISED]

[TRADE SECRET DATA EXCISED]

Examples for the ESA between United Taconite LLC, Northshore Mining Company and Minnesota Power

Example 3: Permanent cessation of operations at United Taconite Facilities, service to the Northshore Mining Facilities will be provided under terms and conditions of the Large Light and Power Service Schedule or some other standard Company service schedule deemed to be more economical to Customer, with two year's written notice.

- Customer does not need to provide a nomination for a Large Light & Power service schedule.

Demand: [TRADE SECRET DATA EXCISED]: Firm Demand (based on customer's monthly peak)

Energy: [TRADE SECRET DATA EXCISED]: Firm Energy

[TRADE SECRET DATA EXCISED]

[TRADE SECRET DATA EXCISED]

**Examples for the ESA between United Taconite LLC, Northshore Mining Company and Minnesota Power**

Example 4: Permanent cessation of operations at both Customer facilities, the Minimum Billed Demand may be reduced to [TRADE SECRET DATA EXCISED] written notice.

- No nomination.

Demand: [TRADE SECRET DATA EXCISED]: Firm Demand

Energy: [TRADE SECRET DATA EXCISED]: Firm Energy

[TRADE SECRET DATA EXCISED]

[TRADE SECRET DATA EXCISED]

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

AFFIDAVIT OF SERVICE VIA  
ELECTRONIC FILING

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SUSAN ROMANS of the City of Duluth, County of St. Louis, State of Minnesota, says that on the **22<sup>nd</sup> day of June, 2016**, she served Minnesota Power's Petition for Approval of Electric Service Agreement between Minnesota Power and United Taconite on the Minnesota Public Utilities Commission and the Energy Resources Division of the Minnesota Department of Commerce via electronic filing.



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Susan Romans

| First Name | Last Name  | Email                             | Company Name                          | Address  | Delivery Method    | View Trade Secret | Service List Name                                    |
|------------|------------|-----------------------------------|---------------------------------------|--|--------------------|-------------------|--|
| William    | Bond       | william.bond@arcelormittal.com    | ArcelorMittal USA - Minorca Mine Inc. | PO Box 1<br>5950 Old Highway 53<br>Virginia,<br>MN<br>55792        | Electronic Service | No                | GEN_SL_Minnesota Power_MP's Large Power Service List |
| Greg       | Chandler   | N/A                               | UPM Blandin Paper                     | 115 SW First St<br><br>Grand Rapids,<br>MN<br>55744                | Paper Service      | No                | GEN_SL_Minnesota Power_MP's Large Power Service List |
| David      | Chura      | dchura@mnpower.com                | Minnesota Power                       | 30 West Superior Street<br><br>Duluth,<br>MN<br>55802              | Electronic Service | No                | GEN_SL_Minnesota Power_MP's Large Power Service List |
| Paul       | Ciesielski | Paul.Ciesielski@arcelormittal.com | ArcelorMittal                         | 3300 Dickey Road<br><br>East Chicago,<br>IN<br>46312               | Paper Service      | No                | GEN_SL_Minnesota Power_MP's Large Power Service List |
| Jack       | Croswell   | N/A                               | Hibbing Taconite                      | P O Box 589<br><br>Hibbing,<br>MN<br>55746                         | Paper Service      | No                | GEN_SL_Minnesota Power_MP's Large Power Service List |
| Emma       | Fazio      | emma.fazio@stoel.com              | Stoel Rives LLP                       | 33 South Sixth Street<br>Suite 4200<br>Minneapolis,<br>MN<br>55402 | Electronic Service | No                | GEN_SL_Minnesota Power_MP's Large Power Service List |
| Sharon     | Ferguson   | sharon.ferguson@state.mn.us       | Department of Commerce                | 85 7th Place E Ste 500<br><br>Saint Paul,<br>MN<br>551012198       | Electronic Service | Yes               | GEN_SL_Minnesota Power_MP's Large Power Service List |
| Shane      | Henriksen  | shane.henriksen@enbridge.com      | Enbridge Energy Company, Inc.         | 1409 Hammond Ave FL 2<br><br>Superior,<br>WI<br>54880              | Electronic Service | No                | GEN_SL_Minnesota Power_MP's Large Power Service List |
| James      | Jarvi      | N/A                               | Minnesota Ore Operations - U S Steel  | P O Box 417<br><br>Mountain Iron,<br>MN<br>55768                   | Paper Service      | No                | GEN_SL_Minnesota Power_MP's Large Power Service List |
| Michael    | Krikava    | mkrikava@briggs.com               | Briggs And Morgan, P.A.               | 2200 IDS Center<br>80 S 8th St<br>Minneapolis,<br>MN<br>55402      | Electronic Service | No                | GEN_SL_Minnesota Power_MP's Large Power Service List |
| David      | Langmo     | david.langmo@sappi.com            | Sappi North America                   | P O Box 511<br>2201 Avenue B<br>Cloquet,<br>MN<br>55720            | Electronic Service | No                | GEN_SL_Minnesota Power_MP's Large Power Service List |

| First Name | Last Name  | Email                            | Company Name                       | Address  | Delivery Method    | View Trade Secret | Service List Name  |
|------------|------------|----------------------------------|------------------------------------|--|--------------------|-------------------|--|
| John       | Lindell    | agorud.ecf@ag.state.mn.us        | Office of the Attorney General-RUD | 1400 BRM Tower<br>445 Minnesota St<br>St. Paul,<br>MN<br>551012130 | Electronic Service | Yes               | GEN_SL_Minnesota<br>Power_MP's Large Power<br>Service List |
| Patrick    | Loupin     | PatrickLoupin@Packaging Corp.com | Packaging Corporation of America   | PO Box 990050<br><br>Boise,<br>ID<br>83799-0050                    | Electronic Service | No                | GEN_SL_Minnesota<br>Power_MP's Large Power<br>Service List |
| Sarah      | Manchester | sarah.manchester@sappi.com       | Sappi North American               | 255 State Street<br>Floor 4<br>Boston,<br>MA<br>02109-2617         | Electronic Service | No                | GEN_SL_Minnesota<br>Power_MP's Large Power<br>Service List |
| Keith      | Matzdorf   | keith.matzdorf@sappi.com         | Sappi Fine Paper North America     | PO Box 511<br>2201 Avenue B<br>Cloquet,<br>MN<br>55720             | Electronic Service | No                | GEN_SL_Minnesota<br>Power_MP's Large Power<br>Service List |
| Matthew    | McClincy   | MMcClincy@usg.com                | USG                                | 35 Arch Street<br><br>Clouquet,<br>MN<br>55720                     | Electronic Service | No                | GEN_SL_Minnesota<br>Power_MP's Large Power<br>Service List |
| David      | Moeller    | dmoeller@allete.com              | Minnesota Power                    | 30 W Superior St<br><br>Duluth,<br>MN<br>558022093                 | Electronic Service | Yes               | GEN_SL_Minnesota<br>Power_MP's Large Power<br>Service List |
| Andrew     | Moratzka   | andrew.moratzka@stoel.com        | Stoel Rives LLP                    | 33 South Sixth St Ste 4200<br><br>Minneapolis,<br>MN<br>55402      | Electronic Service | No                | GEN_SL_Minnesota<br>Power_MP's Large Power<br>Service List |
| Ralph      | Riberich   | rriberich@uss.com                | United States Steel Corp           | 600 Grant St Ste 2028<br><br>Pittsburgh,<br>PA<br>15219            | Electronic Service | No                | GEN_SL_Minnesota<br>Power_MP's Large Power<br>Service List |
| Santi      | Romani     | N/A                              | United Taconite                    | P O Box 180<br><br>Eveleth,<br>MN<br>55734                         | Paper Service      | No                | GEN_SL_Minnesota<br>Power_MP's Large Power<br>Service List |
| Susan      | Romans     | sromans@allete.com               | Minnesota Power                    | 30 West Superior Street<br>Legal Dept<br>Duluth,<br>MN<br>55802    | Electronic Service | No                | GEN_SL_Minnesota<br>Power_MP's Large Power<br>Service List |

| First Name | Last Name | Email                      | Company Name                | Address   | Delivery Method    | View Trade Secret | Service List Name  |
|------------|-----------|----------------------------|-----------------------------|---|--------------------|-------------------|--|
| Thomas     | Scharff   | thomas.scharff@versoco.com | Verso Corp                  | P.O. Box 8050<br>610 High Street<br>Wisconsin Rapids,<br>WI<br>544958050  | Electronic Service | No                | GEN_SL_Minnesota<br>Power_MP's Large Power<br>Service List |
| Eric       | Swanson   | eswanson@winthrop.com      | Winthrop Weinstine          | 225 S 6th St Ste 3500<br>Capella Tower<br>Minneapolis,<br>MN<br>554024629 | Electronic Service | No                | GEN_SL_Minnesota<br>Power_MP's Large Power<br>Service List |
| Jim        | Tieberg   | jtieberg@polymetmining.com | PolyMet Mining, Inc.        | P.O. Box 475<br>County Highway 666<br>Hoyt Lakes,<br>MN<br>55750          | Paper Service      | No                | GEN_SL_Minnesota<br>Power_MP's Large Power<br>Service List |
| Karen      | Turnboom  | karen.turnboom@versoco.com | Verso Corporation           | 100 Central Avenue<br><br>Duluth,<br>MN<br>55807                          | Electronic Service | No                | GEN_SL_Minnesota<br>Power_MP's Large Power<br>Service List |
| Daniel P   | Wolf      | dan.wolf@state.mn.us       | Public Utilities Commission | 121 7th Place East<br>Suite 350<br>St. Paul,<br>MN<br>551012147           | Electronic Service | Yes               | GEN_SL_Minnesota<br>Power_MP's Large Power<br>Service List |