



Gerda Steel, 1678 Red Rock Rd, St Paul, MN 55119
June 23, 2016

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

Subject: **Gerda letter to the Minnesota Public Utilities Commission - Docket No. E002/M-16-420**

Dear Mr. Wolf,

Gerda Steel operates the only steel melting facility in Minnesota supplying essential steel bar products for the mining, heavy industry and automotive industries; and reinforcing bar for construction and infrastructure projects throughout the state. The steel commodities market is highly energy intensive and subject to severe international and domestic competition. The Gerda mill in St Paul is no exception. Since completing our major caster investment, steel demand has slumped and the St Paul mill has been underutilized – employing less people than anticipated and producing less steel than is sustainable.

Energy costs are essential for steel competitiveness. Energy is one of our top costs of converting recycled scrap metal in to new steel; and the cost of energy deviates between state and country more than any other cost. Minnesota is currently a net importer of steel products that primarily come from states and countries with lower energy costs, higher carbon emissions and the product travels great distances via diesel burning truck or fuel oil burning ship. Minnesota steel competitiveness will lower overall emissions and contribute to the economy.

I would like to take this opportunity to thank the Commission for considering this filing which is critical to the success of Gerda in Minnesota. I would like to thank the Department of Commerce for their analysis and recommendations, which if adopted would help ease the pressing financial circumstances of this steel market. I would also like to thank Xcel Energy for recognizing a difficult situation and working with Gerda to come to a reasonable solution.

Gerda looks forward to participating in this process over the coming weeks.

Sincerely,

A handwritten signature in black ink, appearing to read 'S. Harper', with a stylized, flowing script.

Sam Harper
Regional Energy Manager
214.463.9423
Gerda Steel, 1678 Red Rock Rd, St Paul, MN 55119

CERTIFICATE OF SERVICE

I, Carl Cronin, hereby certify that I have this day served copies of the foregoing document on the attached list of persons.

xx by depositing a true and correct copy thereof, properly enveloped with postage paid in the United States mail at Minneapolis, Minnesota

xx electronic filing

Docket No. E002/M-16-420

Dated this 23rd day of June 2016

/s/

Carl Cronin
Regulatory Administrator

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