



City of Duluth  
Emily Larson, Mayor

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411 West First Street \* Room 403 \* Duluth, MN 55802  
218-730-5230 \* Fax 218-730-5904 \* Email: elarson@duluthmn.gov

Monday, October 15<sup>th</sup>, 2018

To: Minnesota Public Utilities Commission  
Re: Verso Duluth Mill

These comments are regarding the petition for approval of an amendment to the electric service agreement between Verso Minnesota Wisconsin LLC and Minnesota Power.

As the Mayor of Duluth, I understand the importance of these two companies to our local economy and the relationship that they have with each other. I have met with John Bastian, the Mill Manager of the Verso Duluth Mill, to discuss their importance to our community and the economic pressures that they are feeling due to the challenging marketplace. The mill provides our residents with 225 high-paying jobs and has a positive economic impact in excess of \$100 million to our region.

This amendment provides the Verso Duluth Mill with critical operating flexibility and the potential to reduce their energy costs, resulting in their ability to maintain their competitiveness in a tough global market. Minnesota Power is working to retain this important large industrial customer as it recognizes both Verso's significant regional economic contributions but also Verso's role in absorbing the fixed costs of the electric system. The amendment benefits all of Minnesota Power's other customers, including keeping rates low for the Western Lake Superior Sanitary District's other customers, by maintaining the Mill's commitment to purchase its electrical needs from Minnesota Power through 2024 with a corporate guarantee and expedited weekly billing.

As a result, I support the approval of the amendment and believe it is in the interest of both parties and the public as a whole.

Thank you,

Emily Larson  
Mayor, City of Duluth