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June 18, 2015

VIA ELECTRONIC FILING

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

> Re: In the Matter of 2014 Electric Company's and Department of Commerce Annual Automatic Adjustment Reports Docket No. E999/AA-14-579

Dear Mr. Wolf:

Minnesota Power hereby electronically submits its Reply Comments in the abovereferenced Docket. An Affidavit of Service is included.

Please contact me at the number above should you have any questions related to this filing.

Yours truly,

Christopher D. Anderson

CDA:dml

c: Service List



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STATE OF MINNESOTA BEFORE THE MINNSOTA PUBLIC UTILITIES COMMISSION

In the Matter of 2014 Electric Company's	Docket No. E999/AA-14-579		
Annual Automatic Adjustment Reports	REPLY COMMENTS		

Minnesota Power provides these Reply Comments in response to the Department of Commerce – Division of Energy Resources ("Department") Review of the 2013-2014 Annual Adjustment Reports ("FYE14 AAA" dated May 19, 2015, in the above-referenced Docket.

This Reply follows the format of the Department's FYE14 AAA by summarizing the issue and providing the Minnesota Power response.

VII. EFFECTS OF MISO DAY 2 ON MINNESOTA RATEPAYERS

- C. OVERALL REVIEW OF MISO DAY 2 CHARGES
- 2. Review of MP's MISO Day 2 Charges

The Department reviewed Minnesota Power's MISO Day 2 charges as reported in Attachment 9 to its FYE14 AAA Report and, with the exceptions described below, concludes that they are reasonable.

MP's Day-Ahead Asset Energy Charges in September 2013 and May 2014 were \$8.7million and \$8.9 million, respectively; higher than in any other month since at least July 2010. The Department requests that MP explain in reply comments the reasons for the high charges observed in those months.

Response:

As identified in Minnesota Power's 2013 and 2014 annual fuel clause forecasts, and as subsequently reported with the Monthly DOC AA filings, there were several significant scheduled outages during September 2013. Boswell Unit 3 had a 5 day outage for boiler maintenance. Boswell Unit 4 had a 7 day outage for boiler maintenance. Square Butte Young #2 had a 24 day outage for turbine maintenance. **TRADE SECRET DATA HAS BEEN EXCISED.**

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As identified in Minnesota Power's 2013 annual fuel clause forecast, and as subsequently reported with the Monthly DOC AA filings, there was a significant scheduled outage and a forced outage during May 2014. Boswell Unit 3 had a 13 day scheduled outage for a major boiler overhaul. Boswell Unit 4 had a 5 day forced outage for a boiler tube leak. **TRADE SECRET DATA HAS BEEN EXCISED.**

Minnesota Power appreciates the opportunity to file these Reply Comments and looks forward to addressing these issues through the Commission-led processes.

Dated: June 18, 2015

Respectfully submitted,

Christopher D. Anderson MINNESOTA POWER Associate General Counsel 30 West Superior Street Duluth, MN 55802 218-723-3961

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

AFFIDAVIT OF SERVICE VIA ELECTRONIC FILING

Dawn LaPointe of the City of Duluth, County of St. Louis, State of Minnesota, says that on the 18th day of June, 2015, she served Minnesota Power's Reply Comments in Docket No. E999/AA-14-579 to the Minnesota Public Utilities Commission and the Minnesota Department of Commerce via electronic filing.

ute_ Dawn LaPointe

Service List Member Information

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