

**BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION**

121 7th Place East, Suite 350  
St. Paul, MN 55101-2147

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In the Matter of Otter Tail Power's Petition to  
Ensure Competitive Electric Rates for Energy-  
Intensive Trade-Exposed Customers

PUC Docket No. E-017/M-16-533

**AFFIDAVIT OF JACK WALLINGFORD**

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**STATE OF MINNESOTA )**

**) ss.**

**COUNTY OF BELTRAMI )**

I, Jack Wallingford, being first duly sworn upon oath, state as follows:

1. I am the Vice President of Northern Operations at the Norbord, Inc. ("Norbord") oriented strand board ("OSB") mill in Solway, Minnesota (the "Norbord Mill"). OSB is a reconstituted wood product.

**The Norbord Mill's Contributions to Minnesota**

2. The Norbord Mill is a major employer in northwest Minnesota, employing 134 people as of March 2016. The Norbord Mill's total payroll in 2015, including benefits, was over **[TRADE SECRET DATA BEGINS... ██████████ ...TRADE SECRET DATA ENDS]**.
3. According to the UMD Labovitz School of Business study entitled "The Economic Impact of Minnesota's Forestry-Related Industries on the State of Minnesota" (the "Labovitz DNR Study"), a copy of which is attached to the affidavit of Wayne Brandt, reconstituted wood product manufacturers like the Norbord Mill support 1,089 direct jobs

and 2,722 indirect jobs across other sectors, with an output of more than \$367 million and a value added direct effect to the State of Minnesota of nearly \$155 million.

4. Specific to Norbord, and using a multiplier effect of 2.5 from the Labovitz DNR Study, The Norbord Mill's direct and indirect contributions to regional employment exceed 330 persons.
5. The Norbord Mill spends nearly [TRADE SECRET DATA BEGINS... ██████████  
...TRADE SECRET DATA ENDS] directly in northwest Minnesota each year in the form of wood and timber purchases, contract labor, power purchases, payroll, and other expenses.
6. In 2015, the Norbord Mill paid in excess of [TRADE SECRET DATA BEGINS... ██████████  
...TRADE SECRET DATA ENDS] in State taxes.
7. The Norbord Mill also actively supports our community. Over the past 10 years, the Norbord Mill and its employees have contributed approximately \$274,000 in local donations and volunteered across the community.
8. The Norbord Mill is committed to sustainable forest management practices and demonstrates this commitment through its continued certification in the Sustainable Forestry Initiative's (SFI) Fiber Sourcing Standard. The SFI Fiber Sourcing Standard is for organizations that do not own or manage land but do procure wood directly from forests. Program Participants must show that the raw material in their supply chain comes from legal and responsible sources, whether the forests are certified or not. SFI Program Participants must also invest in forestry research, science and technology, and



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11. If Otter Tail Power's Petition were approved and Norbord received a 20% discount in rates, the Norbord Mill's ranking would improve from **[TRADE SECRET DATA BEGINS... [REDACTED] ...TRADE SECRET DATA ENDS]** in electricity costs, increasing its competitiveness. The EITE rate would reduce the Norbord Mill's total cost of production **[TRADE SECRET DATA BEGINS... [REDACTED] ...TRADE SECRET DATA ENDS]**. Such a reduction would be helpful in light of Otter Tail Power's pending rate case, in which Otter Tail Power seeks to increase rates for the Norbord Mill.



**PUBLIC DOCUMENT  
TRADE SECRET DATA EXCISED**

17. There would be significant costs to the region and the State if the Norbord Mill were to shut down, including lost jobs, decreased tax revenue, and lower community investment.
18. If the Norbord Mill receives a 20% rate reduction as a result of the EITE tariff, it is reasonably likely that this discount could be one of the factors that will keep the Norbord Mill viable.

**FURTHER YOUR AFFIANT SAYETH NOT.**

Dated: June 28, 2016

/s/ Jack Wallingford  
Jack Wallingford, Vice President of Northern  
Operations  
Norbord Minnesota Inc.

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