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April 29, 2019

**VIA E-FILING**

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 Rider for Business Development Incentive  
Electric Service Agreement between Minnesota Power and Nordic Metals  
**Docket No. E015/GR-16-664**

Dear Mr. Wolf:

Enclosed for filing with the Minnesota Public Utilities Commission please find new Electric Service Agreement ("ESA") between Minnesota Power and Nordic Metals under the Business Development Incentive Rider ("BDIR").

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

Yours truly,

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 Compliance Filing and exhibits thereto as Trade Secret.

The Compliance Filing describes the Electric Service Agreement between Minnesota Power and Nordic Metals ("Nordic Metals"). The 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 Light and Power customer) and contains Minnesota Power's unique methods, techniques and process for supplying electric service to Nordic Metals. 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 Nordic Metals, and because of the intensely competitive marketplace Nordic Metals operates in, this information is also confidential and Trade Secret to Nordic Metals. Minnesota Power and Nordic Metals 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 filing 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.

**PUBLIC DOCUMENT  
TRADE SECRET DATA EXCISED**

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

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Docket No. E015/GR-16-664

Minnesota Power's Rider for  
Business Development Incentive

**ELECTRIC SERVICE AGREEMENT  
COMPLIANCE FILING**

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Minnesota Power hereby submits a new Electric Service Agreement ("ESA") between Minnesota Power and Nordic Metals under the Business Development Incentive Rider ("BDIR"). The six-year ESA was executed on March 29, 2019. This is Minnesota Power's first BDIR customer. Nordic Metals is a family owned business that is part of Crow Wing Recycling. With more than 90 employees, Crow Wing Recycling buys, processes and sells scrap metals—ferrous and nonferrous—from automobiles, trucks, appliances, machines that are generated by industry through construction or deconstruction of facilities. The ESA is for Nordic Metals' Deerwood, Minnesota facility, where ferrous and nonferrous scrap metal processing and shipping is handled.

The Minnesota Public Utilities Commission's ("Commission") March 12, 2018 Order in Docket No. E015/GR-16-664 approved the BDIR with conditions. Order paragraph 78 requires the following conditions:

- a. require the Company to obtain approval of amendments to existing or new ESAs;*
- b. require the Company to file for approval any new or amended ESA within 30 days after signing the agreement;*
- c. require the ESA filing to include the incremental revenue and incremental costs associated with the new ESA;*
- d. require that the ESA is deemed approved if no party objects to the ESA within 30 days of the filing date;*

**PUBLIC DOCUMENT**  
**TRADE SECRET DATA EXCISED**

*e. require the Company to file an annual compliance filing on May 1st each year (in a new miscellaneous docket) showing the number of customers served on the rider, together with each customer's incremental revenue and costs; and*

*f. require that energy audits be conducted for all rider customers.*

In compliance with parts (a) and (b) attached as Exhibit A is the ESA between Minnesota Power and Nordic Metals executed on March 29, 2019. This compliance filing is being submitted on April 29, 2019 within 30 days after signing the agreement.

In compliance with part (c) the incremental revenue is [TRADE SECRET DATA EXCISED] and the incremental costs are [TRADE SECRET DATA EXCISED] for a net incremental revenue of [TRADE SECRET DATA EXCISED]. Minnesota Power's calculations are included in the Trade Secret Exhibit B.

In compliance with part (d), this ESA is being filed on April 29, 2019 and, therefore if no objections are filed by May 29, 2019, the ESA is deemed approved.

In compliance with part (e), Minnesota Power will be submitting its annual compliance filing on May 1, 2019 in a new miscellaneous docket.

In compliance with part (f), Minnesota Power has conducted an energy audit of Nordic Metals and recently submitted a rebate for the company's transformer upgrade and drives on existing equipment.

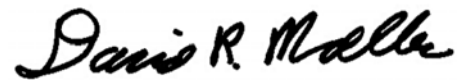
Pursuant to Minn. Stat. §§ 13.01 et seq. and Minn. Rule 7829.0500, Minnesota Power has designated portions of the attached Exhibit B as containing Trade Secret Information and these have been redacted as appropriate to reflect the Trade Secret nature of the documents. Trade Secret and Public copies of Exhibit B 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 Compliance Filing.

Please send any questions or correspondence regarding this compliance filing to the following:

David R. Moeller  
Senior Attorney  
Minnesota Power  
30 West Superior Street  
Duluth, MN 55802  
(218) 723-3963  
[dmoeller@allete.com](mailto:dmoeller@allete.com)

Dated: April 29, 2019

Respectfully submitted,

A handwritten signature in black ink that reads "David R. Moeller". The signature is written in a cursive, flowing style.

David R. Moeller  
Senior Attorney  
Minnesota Power  
30 West Superior Street  
Duluth, MN 55802  
(218) 723-3963  
[dmoeller@allete.com](mailto:dmoeller@allete.com)

## ELECTRIC SERVICE AGREEMENT

THIS AGREEMENT, made this 29 day of March, 2019, between Minnesota Power, a Minnesota public utility, and Nordic Metals, in consideration for the covenants and promises made herein creates the obligation of Minnesota Power to furnish electric service and Customer to pay for said electric service in accordance with the following terms and conditions.

1. Electric service shall be furnished to Customer's premises located at 19586 County Rd 102, Deerwood, MN in the County of Crow Wing and State of Minnesota, described as follows:
2. Electric service shall be furnished at a point of delivery described as: Secondary terminals of customer transition cabinet.
3. Annual revenues paid to Minnesota Power by Customer inclusive of payments for electric service received, billed at the applicable rate schedule plus any adjustments shall not be less than \$15,658 per year. An annual billing will be rendered for any deficit to the above annual revenue guarantee.
4. An advance payment of \$0 shall be made to cover that portion of Minnesota Power's investment not covered by the revenue guarantee. This cost is an estimate. The actual cost will be determined upon completion of the project and a refund or additional billing will be rendered to Nordic Metals.
5. The term of this agreement shall commence the first day of the billing cycle following the latter of either no party files objections to the Electric Service Agreement within 30 days of the filing date with the Minnesota Public Utilities Commission or Minnesota Public Utilities Commission approval through a written order. The Electric Service Agreement shall continue for a period of six years, and, if not then terminated by at least one year prior written notice by either party, shall continue further until so terminated; provided, that in the event Company continues to supply electric service to customer at this location subsequent to the termination hereof.
6. This electric service shall be billed at the current applicable rate and class at the time the electric service is used or as approved by any regulating body having jurisdiction thereof.
7. The parties hereto mutually agree to abide by any and all applicable statutes, agency rules and Minnesota Power's Electric Service Regulations which are hereby incorporated by reference.
8. This Agreement is not assignable to any other party without the express written consent of Minnesota Power.
9. This Agreement shall be in full force and effect for the term above specified and each party shall be bound unless an express written release is executed by the party not requesting said release.
10. The Customer's expected billing demand under the Company's Rider for Business Development Incentive is 3,000+ KW at two separate delivery points at the property described in Paragraph 1 of the Electric Service Agreement that qualifies as Qualified Billing Demand. In addition to any provisions contained herein, service for the Qualified Billing Demand shall also be subject to the provisions of the Rider for Business Development Incentive as it appears in the Company's' Tariff Book. This paragraph is effective for a period of six years beginning on first day of the billing cycle.
11. Nothing in this Agreement shall impact the Customer's obligation to purchase all of its electric power and electric energy from the Company during the full term of the Business Development Incentive Rider.

MINNESOTA POWER

By

Title Vice President - Customer Experience

Nordic Metals

By

Title President

Incremental Revenue and Cost Analysis - Nordic Metals

Incremental Energy Cost Analysis				Incremental Capacity Cost Analysis			Incremental Transmission/Distribution Cost Analysis	Margin Contribution Analysis		
1		2	3 = 1 * 2	4	5	6 = 4 * 5	7	8 = 7 + 6 + 3	9	10 = 9 - 8
Year	kWh Usage	Average Marginal (\$ per kWh)	Total Incremental Energy Costs	Peak Billing Demands (kW)	Incremental Capacity Cost per kW per Yr.	Total Incremental Capacity Cost	Incremental Transmission/Distribution Revenue Requirements*	Incremental Energy, Capacity and Distribution Costs	Electric Revenue After BDI Rider Discount**	Electric Revenue in Excess of Incremental Costs
1										
1										

[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 **29<sup>th</sup>** day of **April, 2019**, she served Minnesota Power's Compliance Filing in **Docket No. E015/GR-16-664** on the Minnesota Public Utilities Commission and the Office of Energy Security via electronic filing. The persons on E-Docket's Official Service List for this Docket were served as requested.



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Susan Romans