



Verso Corporation
Duluth Mill
100 North Central Ave
Duluth, MN 55807

John Bastian
Mill Manager
T 218 628 5100
E John.Bastian@versoco.com
W versoco.com

August 17, 2020

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

RE: **PUC Docket Number(s): E-015/M-16-564, E-015/GR-19-442**

Dear Mr. Seuffert:

I am writing to express support for Minnesota Power's request to extend the EITE discount until implementation of final rates in Minnesota Power's next general rate case and of MP's efforts to pursue additional competitiveness components.

My name is John Bastian and I represent the Verso Duluth Mill. We manufactured both Supercalendered Paper and Packaging grades and employed 235 people.

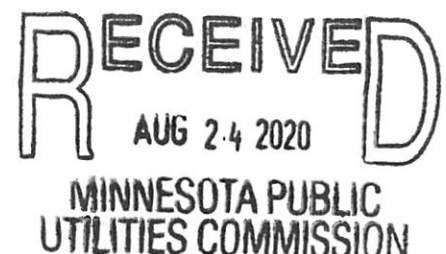
The Verso Duluth mill competes globally with competitors that have both favorable currency exchange rates and substantially lower energy costs. In fact the Verso Duluth Paper Mill was the last remaining Supercalendered grade paper manufacturer in the US. Electrical energy was the single largest mill manufacturing cost. Additionally our electrical costs have gone up over 40% in the last 12 years. We were in the process of converting the mill to making packaging products in large part to reduce our electrical demand and costs as well as to position the mill in a growing and more profitable product mix. Then the COVID 19 pandemic happened and the bottom fell out of the Supercalendered grade paper market both in terms of loss of orders and a significant reduction in product pricing. As a result mill financial losses were so large that on July 1st Verso indefinitely idled the Duluth mill.

The fundamental economic challenges that the Verso Duluth Mill faced when EITE was first implemented *continue and have been exacerbated by COVID-19* today. We are working hard to develop a scenario where we can restart the mill. Without competitive electrical rates this may not be possible. These current economic conditions and unprecedented times are not the time to be eliminating the EITE rate.

We encourage the Minnesota Public Utilities Commission to support Minnesota Power's EITE extension request and we look forward to working with Minnesota Power on rate design alternatives and the other components of the competitiveness filing.

Sincerely,

John Bastian
Verso Duluth Mill-Mill Manager



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