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NEWS

Commission approves competitive rates for Minnesota Power industrial customers with impact on other customers to be determined

Plan responds to global competition impacting mining and forest product industries

Duluth, Minn.— The Minnesota Public Utilities Commission (MPUC) on Thursday approved lower electric rates for 11 critical industrial companies in northeastern Minnesota uniquely exposed to global competition.

The 2015 Minnesota Legislature enacted a law authorizing Minnesota Power to submit discounted rate plans for a limited number of its large industrial customers, including taconite mines and forest-products industries that meet state criteria as energy-intensive and trade-exposed (EITE) businesses. According to the legislation, “It is the energy policy of the state of Minnesota to ensure competitive electric rates for energy-intensive trade-exposed customers.”

With energy being about 25 percent of their production cost, the 5 percent EITE rate reduction can help the mines and mills remain competitive in the global market and retain jobs in northeastern Minnesota.

“This Minnesota Power rate plan is one part of the equation that adds up to a more secure economic future for northern Minnesota,” said Al Hodnik, president, chairman and CEO of ALLETE, Minnesota Power’s parent company. “We want to keep the high-paying jobs our large taconite and forest industries customers provide here in northern Minnesota and encourage a healthier regional economy for all of our customers. Lower royalty rates, federal steel tariffs, vendors and labor support also contribute to the effort to secure a successful future for these natural resource-based industries. Global competition, sometimes unfair in nature, has been an issue for them for decades.”

As part of today’s decision, the MPUC requested Minnesota Power submit cost recovery options that will be allocated to other customers. The EITE rate will take effect when the rate adjustments for other customers are determined, which the MPUC has put on an expedited track.

The plan approved today is revenue-neutral for Minnesota Power. Under the statute, certain customers are exempt from the proposed rate:

- Low-income customers qualified to receive assistance through area heating assistance agencies.
- Energy-intensive, trade-exposed industrial customers that are not eligible for the EITE rate.

To learn more about EITE go to <http://www.mnpower.com/CustomerService/EITE>.

Minnesota Power provides electric service within a 26,000-square-mile area in northeastern Minnesota, supporting comfort, security and quality of life for 144,000 customers, 16 municipalities

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and some of the largest industrial customers in the United States. More information can be found at www.mnpower.com.

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