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**PUBLIC DOCUMENT
TRADE SECRET DATA EXCISED**

May 1, 2013

VIA ELECTRONIC FILING

Dr. Burl W. Haar
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101-2147

Re: In the Matter of a Petition for Approval of an Electric Service Agreement
between Minnesota Power and Enbridge Energy, Limited Partnership
Docket No. E015/M-13-_____

Dear Dr. Haar:

Minnesota Power hereby submits electronically its Petition for Approval of an Electric Service Agreement between Minnesota Power and Enbridge Energy, Limited Partnership in the above-referenced matter. An affidavit of service is included.

Please contact me at the number above if you have any questions regarding this filing.

Yours truly,

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

David R. Moeller

kl
Attachments
c: Service list



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 Petition as Trade Secret.

The Petition requests Approval of an Electric Service Agreement between Minnesota Power and Enbridge Energy, Limited Partnership. This Agreement contains terms and conditions that are materially sensitive to Minnesota Power (due to the specific price and terms to Enbridge.) The information is valuable commercial information to both Minnesota Power and Enbridge, and because of the intensely competitive marketplace Enbridge operates in, this information is also confidential and Trade Secret to Enbridge. Minnesota Power and Enbridge 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.

STATE OF MINNESOTA
BEFORE THE
MINNESOTA PUBLIC UTILITIES COMMISSION

In the Matter of an Electric Service
Agreement between Minnesota Power
and Enbridge Energy, Limited Partnership

Docket No. E015/M-13-_____

**PETITION FOR APPROVAL OF
AGREEMENT**

SUMMARY OF FILING

This Petition seeks Minnesota Public Utilities Commission approval of an Electric Service Agreement (“Agreement”) between Minnesota Power and Enbridge Energy, Limited Partnership (“Enbridge”). The Agreement provides for Enbridge to continue to purchase all of its electric service requirements for its pipeline facilities under Minnesota Power’s Large Light & Power Service Schedule (the “LLP Schedule”).

STATE OF MINNESOTA
BEFORE THE
MINNESOTA PUBLIC UTILITIES COMMISSION

In the Matter of an Electric Service
Agreement between Minnesota Power
and Enbridge Energy, Limited Partnership

Docket No. E015/M-13-_____

**PETITION FOR APPROVAL OF
AGREEMENT**

I. BACKGROUND AND AGREEMENT

This Petition seeks Minnesota Public Utilities Commission (“Commission”) approval of an Electric Service Agreement (“Agreement”) between Minnesota Power and Enbridge Energy, Limited Partnership (“Enbridge”). The Agreement provides for Enbridge to continue to purchase all of its electric service requirements for its pipeline facilities under Minnesota Power’s Large Light & Power Service Schedule (the “LLP Schedule”). Enbridge’s previous electric service agreement that placed it on the LLP Schedule was approved by the Commission on December 22, 2009. Docket No. E015/M-09-891. This new Agreement is the result of Enbridge being in the process of adding new pumping capacity at its station in Deer River, Minnesota. The Agreement also governs electric service to Enbridge’s pumping station facilities at Floodwood, which the Commission previously approved being conjunctively billed with the Deer River facilities. Furthermore, this Agreement is a long-term agreement with Enbridge agreeing to take service through at least December 31, 2020. Under the current electric service agreement, Enbridge may cancel with one-year notice to Minnesota Power.

II. PROCEDURAL ISSUES

In compliance with Minn. Stat. § 216B.05 of the Minnesota Public Utilities Act and the Commission’s rules promulgated thereunder, Minnesota Power files this Petition for Approval of an Agreement in Minnesota Power’s tariff book in Volume II, Section VII thereunder “Contracts

not on Standard Form.” This means that upon Commission approval, Minnesota Power will submit a compliance filing to the Commission so that the Agreement will become part of Minnesota Power’s tariff book. Minn. Stat. § 216B.05, subd. 2a requires that:

A contract for electric service entered into between a public utility and one of its customers, in which the public utility and the customer agree to customer-specific rates, terms, or service conditions not already contained in the approved schedules, tariffs, or rules of the utility, must be filed for approval by the commission pursuant to the commission’s rules of practice. Contracts between public utilities and customers that are necessitated by specific statutes in this chapter must be filed for approval under those statutes and any rules adopted by the commission pursuant to those statutes.

For this Petition, the customer-specific term under the Agreement is spelled out in Section III.¹ Under the Commission’s Rules of Practice and Procedure, filings that do not require a determination of a utility’s revenue requirement constitute “miscellaneous tariff filings” under Minn. Rules 7829.1300, and the Commission has treated all of Minnesota Power’s electric service agreements under the filing requirement, notice and comment provisions of this Rule. Additional information required by Minn. Rule 7829.1300 is provided below.

A. General Filing Information

1. Summary of Filing (Minn. Rule 7829.1300, subp. 1)

A one-paragraph summary accompanied the Petition.

2. Service on Other Parties (Minn. Rule 7829.1300, subp. 2)

Pursuant to Minn. Stat. § 216.17, subd. 3 and Minn. Rules 7829.1300, subp. 2, Minnesota Power eFiles the Petition on the Department of Commerce – Division of Energy Resources and serves a copy on the Utilities and Antitrust Division of the Office of Attorney General. A summary of the filing prepared in accordance with Minn. Rules 7829.1300, subp. 1 is being served on all parties on its Large Power service list.

¹ This Petition is also intended to comply with the Commission’s February 26, 2009 Order in Docket No. E015/M-08-1344.

3. Name, Address and Telephone Number of Utility (Minn. Rule 7829.1300, subp. 4(A))

Minnesota Power
30 West Superior Street
Duluth, MN 55802
(218) 722-2641

4. Name, Address and Telephone Number of Utility Attorney (Minn. Rule 7829.1300, subp. 4(B))

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

5. Date of Filing and Date Proposed Rate Takes Effect (Minn. Rule 7829.1300, subp. 4(C))

The Petition is being filed on May 1, 2013. The effective date would be the date of the Commission's Order or such other date as directed in the Commission's Order.

6. Statute Controlling Schedule for Processing the Filing (Minn. Rule 7829.1300, subp. 4(D))

This Petition is made in accordance with Minn. Stat. § 216B.05, subd. 2a and prior Commission orders, and no statutorily imposed time frame for a Commission decision applies to this filing.

7. Utility Employee Responsible for Filing (Minn. Rule 7829.1300, subp. 4(E))

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8. Impact on Rates and Services (Minn. Rule 7829.1300, subp. 4(F))

The Petition in and of itself will have no effect on Minnesota Power's base rates.

9. Service List (Minn. Rule 7829.0700) (electronic service requested)

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Duluth, MN 55802
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B. Trade Secret Designation (Minn. Rule 7825.0500)

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

III. THE AGREEMENT

Individual provisions of the Agreement are reviewed and explained below. While electric service pursuant to this Agreement is being provided under the LLP Schedule, the discussion addresses the Commission's directive in Docket No. E015/M-08-1344 that Minnesota Power analyze for Large Power electric service agreements how the terms integrate with Minnesota Power's service schedules. The most important component of this Agreement is Enbridge's commitment to purchase all of its electric service requirements for its Deer River and Floodwood facilities from Minnesota Power through at least December 31, 2020. With this additional commitment from an important industrial customer, Minnesota Power gains additional certainty regarding its ability to manage generating capacity and plan for future needs of all its ratepayers.

1. Paragraph 3(A) - All Electric Service Requirements

Paragraph 3(A) of the Agreement expressly provides that Enbridge will purchase all of the power and energy required to operate its facilities from Minnesota Power. Minnesota Power estimates this will increase the Company's retail load by approximately [**TRADE SECRET DATA EXCISED**], depending on Enbridge's operations. Enbridge's current peak load is around [**TRADE SECRET DATA EXCISED**] and after this increase it is expected to be around [**TRADE SECRET DATA EXCISED**]. The LLP Schedule does not have a provision related to all electric service requirements except that customers who take service under the LLP Schedule must abide by any terms agreed to in an electric service agreement, subject to Commission approval.

2. Paragraph 2. Term of Agreement

Upon Commission approval, the Agreement will begin on the first day of the calendar month following receipt of the Commission order and continue until December 31, 2020. Thereafter, the Agreement will continue on a rolling one-year basis until a cancellation notice is

issued by either party. The one-year cancellation period is the same as Enbridge's current electric service agreement, which the Commission approved in 2009.

Also related to the LLP Schedule, customers in excess of 10,000 kW "shall be served under this rate only where customer and Company have executed an electric service agreement having an initial minimum term of ten (10) years with a minimum cancellation provision of four (4) years." This tariff provision is similar to that applied under the Large Power Service Schedule.² Minnesota Power believes that this provision does not apply to Enbridge since the Agreement is not the initial agreement between Minnesota Power and Enbridge or, to state it another way, Enbridge is not new to Minnesota Power's system. In addition, the modification of the term and cancellation provision was requested by Enbridge in the event Enbridge decided it was advantageous to switch from the LLP Schedule to the Large Power Service Schedule after December 31, 2020. This may occur if Enbridge's load factor changed so that the Large Power Service Schedule demand and energy charge structure better fit its operations. However, if Enbridge switches from the LLP Schedule to the Large Power Service Schedule, there is not an additional cost to Minnesota Power to provide Enbridge service, just a rate change specific to Enbridge. Therefore, to the extent required and applicable to Enbridge, Minnesota Power requests Commission approval to waive the minimum initial ten-year contract term and four-year cancellation provision under the LLP Schedule. With this new commitment, Minnesota Power gains additional certainty regarding its ability to manage generating capacity and plan for future needs of all its ratepayers.

3. Paragraph 3(B) – Pilot Rider for Large Light and Power Time-Of-Use Service

Paragraph 3(B) of the Agreement expressly provides that Enbridge may elect to take service within the term of this Agreement under the terms of the Pilot Rider for Large Light and Power Time-Of-Use Service ("Pilot Rider") by giving written notice to Minnesota Power. Likewise, Enbridge may discontinue service under the Pilot Rider under the applicable service conditions. The Agreement does not modify any right that Enbridge currently possesses. Enbridge advocated for the Pilot Rider in Minnesota Power's 2009 rate case, and the

² See, for example, *In the Matter of Minnesota Power's Petition for Approval of a Proposed Electric Service Agreement with Potlatch Corporation*, Order dated September 12, 1989, Docket E-015/M-89-387.

Commission approved it in an order dated August 11, 2011 in Docket No. E-015/M-11-311. The Pilot Rider does not require an electric service agreement, though it does require customers to take service under the LLP Schedule.

4. Paragraph 6 –Large Light and Power Service Modifications

Paragraph 6 of the Agreement provides modifications to the LLP Schedule. First, under Paragraph 6(A), Minnesota Power will continue to combine billing for Enbridge’s two pumping facilities, Deer River and Floodwood for calculating billing demand and energy consumption. The LLP Schedule does not have a provision related to combining billing, but the Commission has previously approved combining billing provisions for Enbridge and other LLP customers.

Second, under Paragraph 6(A), the Agreement modifies the LLP Schedule if applicable, to allow Enbridge to exceed the 50,000 kW limit in the LLP Schedule during the term of the Agreement. Currently, Enbridge is well below the 50,000 kW limit and at this time does not expect to exceed the 50,000 kW limit under the LLP Schedule. As discussed above, Enbridge’s current peak load is around [TRADE SECRET DATA EXCISED] and after this increase it is expected to be around [TRADE SECRET DATA EXCISED]. However, given Enbridge’s load factor, taking service under the Large Power Service Schedule would be detrimental to Enbridge’s operations by requiring it to pay demand charges that are designed for high-load-factor Large Power customers. Minnesota Power’s other customers would not be harmed if the Commission grants this modification since if Enbridge’s service requirements exceed 50,000 kW, this usage will provide additional contributions to fixed cost recovery for other customers.

Third, under Paragraph 6(B), the Agreement allows Enbridge to reduce its minimum electric service requirement to [TRADE SECRET DATA EXCISED]. If this occurs, Enbridge’s demand charges would be reduced to [TRADE SECRET DATA EXCISED] of such notice. This provision provides Minnesota Power limited protection that even if Enbridge shuts down its facilities, it will continue to pay demand charges for [TRADE SECRET DATA EXCISED]. The LLP Schedule does not address decreases in service requirement for facility shutdowns, but it does include a 75 percent demand ratchet that applies to the previous eleven

months for billing purposes. This provision is consistent with the demand ratchet language under “Determination of Billing Demand” in the LLP Schedule. The Commission has approved similar provisions that were in Large Power customers’ electric service agreements.

5. Paragraph 4 –Service Extension Costs

Paragraph 4 addresses special Service Conditions that apply to Minnesota Power’s service for Enbridge’s facilities. Under Paragraph 4(A), Minnesota Power is committing to pay for service extension costs in accordance with its Commission-approved Extension Rules which will be reflected in the Service Extension Guarantee Amount. Due to the long lead time to procure transmission and substation equipment, Enbridge agreed to provide an annual Service Extension Guarantee Amount based on a minimum annual energy usage amount that will cover Minnesota Power’s extension costs. The amount of the Service Extension Guarantee Amount is [TRADE SECRET DATA EXCISED] per year for calendar years 2016 through 2020. Enbridge’s total energy usage in 2012 was approximately [TRADE SECRET DATA EXCISED]. The terms of this Agreement include an Enbridge commitment to use [TRADE SECRET DATA EXCISED] per year from 2016 through 2020 or pay up to [TRADE SECRET DATA EXCISED] during this five year period. This financial commitment benefits Minnesota Power and its ratepayers by assuring that the transmission investments being made to support Enbridge load growth will be recovered through future load growth or direct funding toward the project costs. These facility specific provisions are consistent with the Company’s Extension Rules and the Commission’s approval of similar agreements for new customers, including PolyMet Mining (Docket No. E015/M-07-221), Mesabi Nugget (Docket No. E015/M-07-1456), and Magnetation (Docket No. E015/M-11-823). The LLP Schedule does not address service extension costs, though as noted above, this provision is consistent with Minnesota Power’s Extension Rules.

Furthermore, under Paragraph 7(K), Minnesota Power commits to taking necessary steps to complete the transmission upgrades necessary for Enbridge’s Deer River facilities, subject to regulatory approvals by the Commission. To that extent, Minnesota Power recently submitted a

route permit application for the Deer River HVTL Project (Docket No. E015/TL-13-68) that addresses these transmission upgrade requirements.

IV. AGREEMENT IS IN THE PUBLIC INTEREST

The Agreement benefits Minnesota Power and its ratepayers by assuring Minnesota Power that it will be entitled to provide Enbridge's electric service requirements at its facilities. Minnesota Power's contractual arrangements with its LLP Schedule customers have always created significant fixed cost recovery assurances upon which Minnesota Power and its ratepayers could depend. This Agreement continues and extends these fixed cost recovery assurances to a customer's expanding pumping facilities while also providing Enbridge with competitive electric service and operational flexibility under the LLP Schedule through December 31, 2020.

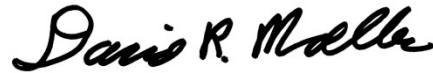
The benefit mentioned in the preceding paragraph will be realized without any changes to rates provided in Minnesota Power's approved tariffs. The terms of this Agreement are appropriate given Minnesota Power's and Enbridge's needs and unique circumstances. In accordance with the requirements of Minn. Stat. §§ 216B.03, .06, and .07, Minnesota Power has always applied the LLP Schedule and the service agreements it enters into thereunder in a fair and equitable manner between and among eligible LLP customers. Minnesota Power intends to continue this practice by making similar terms and conditions available to eligible LLP customers who make similar commitments to Minnesota Power. For the reasons set forth above, the Agreement is in the public interest, is just and reasonable and meets the requirements of Minn. Stat. §216B.01, et. seq.

V. CONCLUSION

The Agreement provides considerable benefits to Minnesota Power and its ratepayers by assuring Minnesota Power that it will provide Enbridge's electric service requirements. The Agreement allows Minnesota Power to provide electric service to meet the unique operating requirements of Enbridge's expanding pipeline facilities. Minnesota Power and its ratepayers benefit from another agreement, in this case another LLP customer, which provides continued revenue assurance to Minnesota Power and its ratepayers while assuring operational flexibility for the operations of an important industrial customer. Minnesota Power respectfully requests that the Commission issue an order approving this Agreement for the reasons set forth in this Petition.

Dated: May 1, 2013

Respectfully submitted,



David R. Moeller
Senior Attorney
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Duluth, MN 55802
218-723-3963
dmoeller@allete.com

**ELECTRIC SERVICE AGREEMENT BETWEEN
ENBRIDGE ENERGY, LIMITED PARTNERSHIP AND MINNESOTA POWER**

THIS AGREEMENT, entered into this ____ day of _____, 2013 between ENBRIDGE ENERGY, LIMITED PARTNERSHIP (“Customer”), and MINNESOTA POWER (“Company”), such parties also being hereinafter referred to individually as “Party” or collectively as “Parties.”

WHEREAS, Customer is in the process of adding new pumping capacity at its station in Deer River, Minnesota; and

WHEREAS, Customer is conjunctively billed for electric service provided in Deer River and Floodwood under an Electric Service Agreement dated June 30, 2009; and

WHEREAS, upon Minnesota Public Utilities Commission (“Commission”) approval of this new Electric Service Agreement, the Parties now desire to terminate the June 30, 2009 Electric Service Agreement, and therefore enter into a new Agreement to reflect the addition of new pumping capacity at its station in Deer River, Minnesota and to govern electric service to the Customer’s pumping station facilities in Deer River and Floodwood.

NOW THEREFORE, in consideration of these premises and of the mutual agreements made herein, the Parties hereby enter into this Agreement as follows:

1. DEFINITIONS

Definitions of terms to be used throughout this Agreement are as follows:

- (A) **Commission** shall mean the Minnesota Public Utilities Commission or its successor organization.
- (B) **Billing Demand** shall be calculated as specified in the most current LLP Schedule and as specified in this Agreement.
- (C) **Department** shall mean the Minnesota Department of Commerce – Division of Energy Resources or its successor organization.

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- (D) **Energy** shall mean the electric consumption requirement measured in kilowatt-hours (“kWh”).
- (E) **Large Light & Power Service Schedule (“LLP Schedule”)** shall mean Company’s Large Light and Power Service Schedule as approved by the Commission in Docket No. E-015/GR-94-1151 or any superseding schedule, applicable tariff or rider.
- (F) **Paragraph** shall mean a paragraph set forth in this Agreement unless the paragraph is specifically referenced as being contained in another document.
- (G) **Points of Delivery** shall be the four points of delivery for Customer’s electric service requirement at the 115 kV side of Customer’s transformers in the Deer River Line 67 Substations, Deer River Lines 1,2,3,4 Substation, Floodwood Substation, and at any other points that Customer and Company may subsequently agree in writing to add to this definition.
- (H) **Power** shall mean the electric demand requirement measured in kilowatts (“kW”).
- (I) **Service Extension Guarantee Amount** shall be [TRADE SECRET DATA EXCISED] pursuant to paragraph 4.
- (J) **Service Extension Guarantee Period** shall mean the period beginning January 1, 2016 and lasting until December 31, 2020 11:59 pm.

Other terms used in this Agreement which are not defined in this Paragraph shall have the definitions provided in the LLP Schedule, any other applicable riders thereto, another applicable tariff or schedule or Company’s Electric Service Regulations, if defined therein.

2. TERM OF AGREEMENT

The term of this Agreement (the “Term”) shall begin on the first day of the calendar month following receipt of the Commission Order approving the Agreement and shall continue until December 31, 2020 11:59 p.m. This Agreement shall supersede and replace the June 30, 2009 Electric Service Agreement on that date, upon approval by the Commission. Service shall continue after December 31, 2020 under the terms and conditions of this Agreement unless this Agreement is terminated in accordance with its terms. Either party may terminate this Agreement by written notice

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to the other delivered at least one year prior to the effective date of termination as set forth in that written notice (the “agreement termination date”), provided, however, that the agreement termination date shall not be effective prior to 11:59 p.m. on December 31, 2020.

3. APPLICABLE RATE SCHEDULE(S)

(A) Customer shall pay for all service in accordance with this Agreement, the LLP Schedule and any applicable tariffs or riders thereto in effect from time to time, except as otherwise provided in this Agreement. The LLP Schedule and all applicable riders are attached hereto as Attachment A and are incorporated by reference and made a part hereof. Said schedules and riders shall be replaced by any applicable superseding schedules and riders and such new schedules and riders or other new rates or prices shall become effective as soon as permitted by any regulatory body having jurisdiction, and such replacement will not require concurrence or acceptance by Customer unless otherwise provided in this Agreement.

(B) Customer may elect to take service within the Term of this Agreement under the terms of the Pilot Rider For Large Light And Power Time-Of-Use Service by giving written notice to Company. Customer may also elect to discontinue service under the Pilot Rider For Large Light And Power Time-Of-Use Service with written notice within the Term of this Agreement provided that such discontinuation notice is provided as indicated under the Service Conditions paragraph of the Pilot Rider.

(C) In the event that the Commission’s regulatory responsibilities are altered and/or the Commission ceases to regulate the bundled retail electric service rates of Customer during the term of this Agreement, Customer and Company to negotiate a mutually acceptable means of addressing the Company’s financial investment into Deer River area upgrades or to utilize the termination clause to pay the remaining Service Extension Guarantee Amount.

(D) With respect to rates and charges that are adjusted on a monthly or annual basis pursuant to Commission and/or Department oversight and which cannot continue to be adjusted by applying the existing rate schedules, riders, tariffs or service regulations absent such regulatory oversight, Customer and Company agree to use good faith efforts to promptly determine an appropriate substitute adjustment mechanism which most closely tracks the adjustment mechanism that can no longer be applied. Such adjustment mechanisms would include by way of example and not limitation,

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the Conservation Program and Fuel Adjustments. In the event the parties are unable to reach an agreement on an appropriate substitute adjustment mechanism which most closely tracks the discontinued adjustment mechanism within 60 days of the date legislation or administrative action invalidating the adjustment mechanism became effective, the matter shall be submitted for arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The Parties agree that such Commercial Arbitration Rules will be varied if necessary to provide for three arbitrators, with one arbitrator to be selected by each Party and the third arbitrator to be selected by the other two arbitrators so chosen. The decision of the arbitrators shall apply retroactively to the date the adjustment mechanism ceased to be in effect.

4. SERVICE CONDITIONS

(A) Service Extension Costs.

Total service extension costs shall be paid by the Company according to provisions of Company's Extension Rules of which will be reflected in the Service Extension Guarantee Amount.

(B) Firm Financial Commitment.

Company will begin work on the Substation and Line Upgrades to the Point of Delivery following execution of this Agreement.

The Customer is required to provide a Service Extension Guarantee of [TRADE SECRET DATA EXCISED] for the combined Deer River and Floodwood stations and according to the following schedule for calendar years 2016 - 2020:

1. Service Extension Guarantee Amount = [TRADE SECRET DATA EXCISED] per year.
2. Minimum Annual Energy Usage = [TRADE SECRET DATA EXCISED] MWh per year.

Annual energy usage in excess of [TRADE SECRET DATA EXCISED] MWh during any calendar year from 2016 through 2020 may be carried forward or back one calendar year and added to the actual annual energy usage in the preceding or following year in the event that Minimum Annual Energy Usage is less than [TRADE SECRET DATA EXCISED] MWh in any calendar year between 2016 through 2020. In the event that actual annual energy usage as adjusted for any amounts carried forward or backward is below the Minimum Annual Energy Usage for any of the calendar years indicated above, Company will bill Customer [TRADE SECRET DATA EXCISED] up to a maximum of [TRADE SECRET DATA EXCISED] total per each calendar year. Company will

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provide this calculation to Customer by January 15 of each calendar year and if any amounts are billed, Customer shall pay such bill within 15 days of issuance by Company. Examples of calculations under this Paragraph are included in Exhibit C.

5. PAYMENT

Service provided and billed under this Agreement shall be due and payable 15 days following the date the bill is rendered or some later date as may be specified on the bill.

6. LARGE LIGHT AND POWER SERVICE MODIFICATION

(A) **Power Requirements.** Points of Delivery shall be combined to calculate Billing Demand and Energy consumption.

If Customer's total combined Deer River and Floodwood power requirements exceed 50,000 kW during the term of this Agreement, the 50,000 kW limit in the LLP Schedule shall be waived in any month where such requirements exceed 50,000 kW.

Customer shall provide Company with monthly demand and energy usage forecasts on a schedule mutually agreed to by the Parties.

(B) **Cessation of Operations.** In the event of a permanent cessation of operations at Deer River and Floodwood, Customer may notify Company in writing at least [TRADE SECRET DATA EXCISED] in advance that Customer is invoking its right to reduce the minimum electric service requirement to [TRADE SECRET DATA EXCISED]. Demand charge shall be reduced to [TRADE SECRET DATA EXCISED] and electric service requirement shall be reduced to [TRADE SECRET DATA EXCISED] effective on the [TRADE SECRET DATA EXCISED] of such notice.

7. GENERAL

(A) **Operating Practices.** Operating practices and standards of performance shall conform to those recognized as sound practices within the utility industry. In making delivery of Power and Energy, Company shall exercise such care as is consistent with normal operating practice through the use of all available facilities to minimize and smooth out the effects of sudden load fluctuation or other

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voltage or current characteristics as may be detrimental to Customer's operations. Customer shall not purchase any service from Company for purposes of resale of said service to any other entity or to Company.

(B) **Metering.** All Power and Energy delivered hereunder by Company to Customer at Points of Delivery shall be measured and recorded at Company's primary metering points.

(C) **Successors and Assigns.** This Agreement shall be binding upon the respective Parties, their successors and assigns, on and after the effective date hereof; provided, however, that neither Party may assign this Agreement or any rights or obligations hereunder without the prior written consent of the other Party, which consent shall not unreasonably be withheld.

(D) **Electric Service Regulations.** Company's Electric Service Regulations attached hereto as Attachment B are made a part of this Agreement insofar as they are appropriate and applicable to and not inconsistent with this Agreement.

(E) **Regulation and Administrative Approval.** Company makes no representation as to the level or design of future rates which may be proposed by the Company for implementation, or implemented by the Commission or another regulatory body having jurisdiction for electric service rendered Customer under this Agreement. Customer acknowledges that rates charged under the Agreement are not fixed, but that electric service is made available by Company at the rates and under the terms and conditions set forth in the currently applicable rate schedules, riders, and Electric Service Regulations or other superseding rate schedules, riders, and Electric Service Regulations in effect from time to time. All the rates and regulations referred to herein are subject to amendment and change by Company unless otherwise provided in this Agreement. Said amendments or changes may be subject to acceptance or approval by any regulatory body having jurisdiction thereof. All rates and regulations not subject to jurisdiction of regulatory authority may be changed by mutual agreement of the Parties hereto. This Agreement is subject to approval or acceptance by any regulatory body having jurisdiction thereof. Customer retains all rights to oppose or otherwise participate in any proceedings before the Commission in which it becomes a party.

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(F) **Effective Date.** This Agreement shall be effective upon approval or acceptance by the Commission. The Electric Service Agreement dated June 30, 2009 between the Parties shall be terminated upon approval or acceptance by the Commission of this Agreement. In the event this Agreement is not approved by the Commission, is approved subject to terms or conditions to which either Party objects or is revised or modified in any material respect by the Commission, Company and Customer agree to immediately make a good-faith effort to renegotiate the terms of this Agreement to accommodate regulatory requirements. In the event that the Parties are unable to reach agreement on such modifications or revisions resulting from a regulatory denial, conditioned regulatory approval or material regulatory modification, this Agreement shall be null and void except for the Customer's obligation to reimburse Company for monies spent on or committed to transmission and substation facilities as a part of the service extension pursuant to the terms in Paragraphs 7(A) and 7(B), and electric service shall continue under the terms of the June 30, 2009 Electric Service Agreement.

(G) **Notices.** Any notice, election or other correspondence required or permitted under this Agreement shall become effective upon receipt and, except invoices and payments, shall be deemed to have been properly given or delivered when made in writing and delivered personally to the authorized representative of the Parties designated below, or when sent by mail, telecopy, or nationally recognized overnight courier, and addressed to the authorized representative of the Parties designated below at its specified address:

TO: Minnesota Power
Vice President – Marketing and Corporate Communications
Minnesota Power
30 West Superior Street
Duluth, MN 55802

TO: Enbridge Energy, Limited Partnership
Energy Management
1409 Hammond Ave, 2nd Floor
Superior, WI 54880

(H) **Confidentiality and Non-disclosure.** No party hereto shall disclose any information regarding any part of this Agreement not otherwise included in Company's nonproprietary Petition for Approval filed with the Commission except to the extent that disclosure is required by law, required

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for evidentiary purposes in any legal proceeding relating to enforcement of this Agreement, required for filing reports with or furnishing information to the regulatory authorities having jurisdiction over Company and other appropriate governmental authorities, required for purposes of obtaining financing, or upon written consent of all parties to this Agreement. Where disclosure to non-parties is required, notice shall be given to all other parties, and to the extent possible, such notice shall be given in advance of disclosure. Notwithstanding the foregoing, the parties acknowledge that the Company is required file this Agreement for approval with the Commission accompanied by a Petition for Approval. The Company agrees to seek protection of the confidential Information in this Agreement under the Commission's Minnesota Rule 7829.0500. The Company agrees that the public version of this Agreement will redact only such confidential information that properly constitutes proprietary information, trade secrets, or other privileged information as defined by applicable Minnesota laws.

(I) **Representation and Warranties.** Company and Customer represent and warrant to the other that: (i) they are duly organized and validly exist in good standing under the laws of their state or province of incorporation and have all requisite power and authority to enter into this Agreement and to carry out the terms and provisions thereof and hereof; (ii) the person(s) executing this Agreement on behalf of that Party are duly authorized and empowered to bind their respective Party to this Agreement; (iii) all actions necessary to bind Customer fully and irrevocably to the obligations set forth in this Agreement have been taken and that no further partnership, corporate or other action is necessary for such authorization and empowerment to be effective and (iv) there is no action, proceeding, or investigation current or pending, and no term or provision of any charter, by-law, certificate, license, mortgage, indenture, contract, agreement, judgment, decree, order, statute, rule or regulation (except the regulatory approval requirements of Minn. Stat. §216B.01 et. seq.) which in any way prevents, hinders or otherwise adversely affects or would be violated by entering into and performing this Agreement.

(J) **Previous Agreements, Amendments, Waiver and Captions.** All other previous communications between Company and Customer either oral or written are hereby abrogated. No amendment, modification or waiver of, or consent with respect to any provision of this Agreement shall be effective unless the same shall be in writing and signed and delivered by both Parties and then any such amendment, modification, waiver or consent shall be effective only in the specific instance

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and for the specific purpose for which given and shall not be deemed a waiver with respect to any subsequent default or other matter. The captions and headings appearing in this Agreement are inserted merely to facilitate reference and shall have no bearing upon the interpretation of the provisions contained in this Agreement.

(K) Transmission Capacity. [TRADE SECRET DATA EXCISED].

IN WITNESS WHEREOF, the Parties have executed this Agreement by their duly authorized officers as of the date first written above.

ENBRIDGE ENERGY, LIMITED PARTNERSHIP

By Enbridge Pipelines (Lakehead) L.L.C., Its General Partner

By: _____

Title: _____

MINNESOTA POWER

By: _____

Title: _____

Firm Financial Commitment MWh Carry Forward / Carry Back Examples

- Minimum Annual Energy Usage = [TRADE SECRET DATA EXCISED] MWh per calendar year from 2016 through 2020.
- Annual energy usage greater than [TRADE SECRET DATA EXCISED] MWh in a calendar year may be carried forward or back one year to offset a deficiency below the [TRADE SECRET DATA EXCISED] MWh minimum in another calendar year.
- Annual MWh deficits after carry forward and carry back adjustments are subject to deficiency charges of [TRADE SECRET DATA EXCISED] per MWh up to [TRADE SECRET DATA EXCISED] maximum annual payment in any calendar year.

[TRADE SECRET DATA EXCISED

TRADE SECRET DATA EXCISED]

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Gary	Anderson	N/A	Stora Enso	Duluth Paper Mill 100 N. Central Avenue Duluth, MN 55807	Paper Service	No	GEN_SL_Minnesota Power_Large Power Service List
Bill	Bond	william.bond@arcelormittal.com	ArcelorMittal USA - Minorca Mine Inc.	PO Box 1 5950 Old Highway 53 Virginia, MN 55792	Electronic Service	No	GEN_SL_Minnesota Power_Large Power Service List
Greg	Chandler	greg.chandler@upm-kymmene.com	UPM Blandin Paper	115 SW First Street Grand Rapids, MN 55744	Paper Service	No	GEN_SL_Minnesota Power_Large Power Service List
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 500 Saint Paul, MN 551012198	Electronic Service	Yes	GEN_SL_Minnesota Power_Large Power Service List
Burl W.	Haar	burl.haar@state.mn.us	Public Utilities Commission	Suite 350 121 7th Place East St. Paul, MN 551012147	Electronic Service	Yes	GEN_SL_Minnesota Power_Large Power Service List
Shane	Henriksen	shane.henriksen@enbridge.com	Enbridge Energy Company, Inc.	1409 Hammond Ave FL 2 Superior, WI 54880	Electronic Service	No	GEN_SL_Minnesota Power_Large Power Service List
James	Jarvi	N/A	Minnesota Ore Operations - U S Steel	P O Box 417 Mountain Iron, MN 55768	Paper Service	No	GEN_SL_Minnesota Power_Large Power Service List
Gerald P.	Kohanski	gpkohanski@cleveland-cliffs.com	Cleveland-Cliffs Inc.	Suite 1500 1100 Superior Avenue Cleveland, OH 441142518	Paper Service	No	GEN_SL_Minnesota Power_Large Power Service List
Michael	Krikava	mkrikava@briggs.com	Briggs And Morgan, P.A.	2200 IDS Center 80 S 8th St Minneapolis, MN 55402	Electronic Service	No	GEN_SL_Minnesota Power_Large Power Service List
Ed	LaTendresse	N/A	Hibbing Taconite	P O Box 589 Hibbing, MN 55746	Paper Service	No	GEN_SL_Minnesota Power_Large Power Service List
John	Lindell	agorud.ecf@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012130	Electronic Service	Yes	GEN_SL_Minnesota Power_Large Power Service List

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Jay	Lofgren	jaylofgren@boisepaper.com	Boise, Inc.	Paper Division 400 - 2nd Street International Falls, MN 56649	Paper Service	No	GEN_SL_Minnesota Power_Large Power Service List
Sarah	Manchester	N/A	Sappi Fine Paper North America	255 State St Fl 4 Boston, MA 02109-2617	Paper Service	No	GEN_SL_Minnesota Power_Large Power Service List
Keith	Matzdorf	keith.matzdorf@sappi.com	Sappi Fine Paper North America	PO Box 511 2201 Avenue B Cloquet, MN 55720	Electronic Service	No	GEN_SL_Minnesota Power_Large Power Service List
David	Moeller	dmoeller@allete.com	Minnesota Power	30 W Superior St Duluth, MN 558022093	Electronic Service	Yes	GEN_SL_Minnesota Power_Large Power Service List
Andrew	Moratzka	apm@mcmlaw.com	Mackall, Crouse and Moore	1400 AT&T Tower 901 Marquette Ave Minneapolis, MN 55402	Electronic Service	No	GEN_SL_Minnesota Power_Large Power Service List
Ralph	Riberich	rriberich@uss.com	United States Steel Corp.	600 Grant Street Suite 2028 Pittsburgh, PA 15219	Paper Service	No	GEN_SL_Minnesota Power_Large Power Service List
Thomas	Scharff	thomas.scharff@newpagecorp.com	New Page Corporation	P.O. Box 8050 610 High Street Wisconsin Rapids, WI 544958050	Electronic Service	No	GEN_SL_Minnesota Power_Large Power Service List
William	Schmidt		USG Interiors, Inc.	35 Arch Street Cloquet, MN 55720	Paper Service	No	GEN_SL_Minnesota Power_Large Power Service List
Joe	Scipioni		PolyMet Mining, Inc.	P.O. Box 475 County Highway 666 Hoyt Lakes, MN 55750	Paper Service	No	GEN_SL_Minnesota Power_Large Power Service List
Eric	Swanson	eswanson@winthrop.com	Winthrop Weinstine	225 S 6th St Ste 3500 Capella Tower Minneapolis, MN 554024629	Electronic Service	No	GEN_SL_Minnesota Power_Large Power Service List

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Jack	Tuomi	N/A	United Taconite	P O Box 180 Eveleth, MN 55734	Paper Service	No	GEN_SL_Minnesota Power_Large Power Service List
Karen	Turnboom	karen.turnboom@newpage corp.com	New Page Corporation	Duluth Mill 100 N. Central Ave. Duluth, MN 55807	Paper Service	No	GEN_SL_Minnesota Power_Large Power Service List
Laurance R.	Waldoch		Lindquist & Vennum	4200 IDS Center 80 South 8th Street Minneapolis, MN 554022274	Paper Service	No	GEN_SL_Minnesota Power_Large Power Service List