**LARGE POWER INTERVENORS**

Utility Information Request

Docket Number: E015/CN-12-1163 Date of Request: August 26, 2014

Requested From: Large Power Intervenors Response Requested: September 4, 2014

By: Large Power Intervenors (Andrew Moratzka, Chad T. Marriott , Lane Kollen and Phil Hayet)

Request

No.

028 Refer to Exhibit\_\_\_(AJR) Schedule 2, the 133 MW Energy Sale Agreement (“Agreement”).

a. Please confirm that the Contract Term, as defined in the Agreement, is 20 years starting with the date that the 500 kV Transmission Interconnection in-service date.

b. Please confirm that pursuant to Section 2.6, MH is obligated to pay the monthly must-take fee only during the Contract Term, which commences on the 500 kV Transmission Interconnection in-service date and terminates 240 months later, except that MH is not required to pay the must take fee in the last month of the Contract Term. If this is not correct, then please state the term during which MH is obligated to pay the monthly must-take fee.

c. Please confirm that MH is not obligated to pay the monthly must-take fee before the Contract Term commences or after the Contract Term terminates.

d. Please indicate where in the Company’s Application or testimony any witness describes the fact that this must-take fee is limited to a twenty-year period compared to the combination of the estimated four-year construction period and the 55 year life of the line and the 40 year life of the substation.

e. Please explain why the must-take fee does not apply during the construction period.

f. Please explain why the must-take fee does not apply after the 20th year of service.

g. Does the Company consider the 20-year limitation on the must-take fee an important component of the Agreement? Please explain your response.

h. Please confirm that MP customers will be responsible for 46% of the capital-related costs of the project, not 28.3% of these costs, prior to and after the Contract Term.

i. Please explain why the Contract Term of the Agreement is 20 years and not a longer period, possibly coincident with the life of the resources that will be used to supply the energy under the agreement.

**Response:**

1. Yes.
2. Yes.
3. Yes.
4. Mr. Rudeck’s testimony stated that “Manitoba Hydro will make monthly payments to Minnesota Power during the entire term of the agreement.” Minnesota Power will provide additional detail regarding the Monthly Must Take Fee in the upcoming Petition to the Commission seeking regulatory approval of the Agreement.
5. The Monthly Must Take Fee is tied to delivery of energy on the new transmission line, which cannot begin until the line is placed in-service.
6. The term of the Monthly Must Take Fee coincides with the Agreement.
7. **[TRADE SECRET DATA EXCISED]**
8. MP customers will be responsible for the applicable revenue requirements, offset by any available credits including those provided from Manitoba Hydro under the Monthly Must Take Fee for the Contract Term and **[TRADE SECRET DATA EXCISED].**
9. See response to (g).

Response by: David Moeller \_\_\_\_\_\_\_\_\_\_\_\_ List Sources of Information:

Title: Senior Attorney\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Department: Corporate Legal Services \_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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