

Minnesota Power Facility Study Agreement

This Facility Study Agreement (“Agreement”, dated as of April 24, 2025 (“Effective Date”), is made and entered into by and between Minnesota Power, a division of ALLETE, Inc. (“ALLETE”), a Minnesota corporation (the “Transmission Owner” or “MP”) whose address is 30 West Superior Street, Duluth, MN 55802, and Grand Rapids Public Utilities (“Requestor” or “Transmission Customer”) whose address is 500 SE 4th Street, Grand Rapids MN 55744. For purposes of this Agreement, “Party” shall mean Transmission Owner or Requestor, and “Parties” shall mean Transmission Owner and Requestor.

Background

- A. Transmission Owner owns electric facilities and is engaged in the generation, transmission, distribution and sale of electric power and energy in the State of Minnesota;
- B. Transmission Owner operates an integrated electric transmission system (“Transmission System”);
- C. Requestor is an eligible Requestor that submitted to the Transmission Owner on October 23, 2024, a request (“Request”) to connect load to Transmission Owner’s Transmission System through the establishment of one or more new points of interconnection (“Point(s) of Interconnection”).
- D. The Transmission Owner, on behalf of the Requestor, completed a System Impact Study for the Tioga transmission interconnection request on February 27, 2025, which identified the need for the Facility Study (“FS”).
- E. Transmission Owner agrees to perform a FS to evaluate the establishment of the requested new Point of Interconnection, including providing a list of the required directly assigned facilities, network modifications and upgrades to the Transmission System (collectively, “Transmission System Upgrades”) and an estimate of the costs and construction timelines to accommodate the transmission interconnection request.
- F. Upon execution of this Agreement and Transmission Owner’s receipt of the Requestor’s deposit payment, Transmission Owner agrees to proceed with the FS and Requestor agrees to reimburse Transmission Owner for the costs of completing such FS in accordance with the terms of this Agreement and as detailed in Appendix A.

Now, therefore, in consideration of the mutual agreements herein, the Parties agree as follows:

1.0 Performance of Study

Transmission Owner agrees to provide all necessary labor, facilities, transportation, and supervision needed to perform the FS and to evaluate establishment of the new Point(s) of Interconnection as set forth in the Request. Transmission Owner shall have sole discretion as to the scope, details and methods used to perform the FS in accordance with Good Utility Practice (further discussed in Section 3.0).

Requestor agrees to compensate Transmission Owner in accordance with Articles 8.0 and 9.0 of this Agreement for the work performed by Transmission Owner. The Requestor shall provide information as reasonably requested by Transmission Owner to perform the FS as set forth in Section 7.

2.0 Scope of Study

A meeting between the Transmission Owner and the Requestor, if requested by either party, shall be held as soon as practical after execution of this Agreement and provision of the Deposit Payment by Requestor to review: (a) the Request and development of the scope for the FS; and b) any known issue that could affect the scope of the FS.

The FS will determine (a) the scope of any Transmission System Upgrades needed to accommodate the Requestor's transmission interconnection request, (b) the estimated costs of any Transmission System Upgrades, and (c) an estimated date that the Transmission System Upgrades may be completed and ready for in-service. During the analysis, additional details of the proposed Point of Interconnection may be required and will be requested from the Requestor as necessary.

Factors to be considered in determining the scope, estimated costs, and estimated schedule for the required Transmission System Upgrades may include, but not be limited to, the following:

- a) System Impact Study results.
- b) The Transmission Owner's applicable transmission planning criteria and interconnection standards.
- c) Load characteristics.
- d) Demand.
- e) Pattern.
- f) Harmonics.
- g) Transients.
- h) Flicker.
- i) Motor starting needs.
- j) Power quality.
- k) Cost to the Transmission Owner and Requestor.
- l) Amount of time required to construct the facilities and applicable permitting requirements.
- m) The Requestor's preferred schedule.
- n) Lead times for procurement of major materials and availability of engineering, consulting and contracting resources necessary for project execution; and
- o) Requirements of any other party whose facilities in the interconnected transmission network are materially affected by the service requested.

The detailed scope of work for the FS will be developed after the FS agreement is signed by both parties. While the Transmission Owner will make reasonable efforts to accommodate feedback from the Requestor, the final scope of work for the FS will be determined at the sole discretion of the Transmission Owner. The general scope of work for the study which has been agreed upon by both parties is provided in Appendix B.

3.0 Engineering Standards

The facility design(s) for the Transmission System Upgrades identified in the FS will conform with Good Utility Practice. For the purpose of this Agreement, Good Utility Practice means the practices,

methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in the light of the facts known at the time the decision was made, could have been expected to produce the desired result at the lowest reasonable cost consistent with Good Utility Practice, reliability, safety and expediency. Good Utility Practice is not intended to be limited to the optimum practice method or act to the exclusion of all others, but rather to be a range of acceptable practices, methods, or acts.

In all cases, any Transmission System Upgrades necessary to establish the new Point of Interconnection shall maintain or improve Transmission Owner's Transmission System reliability.

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Transmission Owner shall use due diligence in completing all studies relating to the requested interconnection; however, the Transmission Owner shall not be obligated to complete the interconnection under the terms of this Agreement.

4.0 Results of Study

Transmission Owner shall conduct a FS associated with the requested Point of Interconnection and issue a FS report for Requestor's review. Transmission Owner will use reasonable efforts to complete the FS within ninety (90) business days of Requestor's payment of the Deposit Payment required in Section 9. Such timeline may be extended by Transmission Owner in its sole discretion if it reasonably determines more time is necessary to complete the FS. If a longer timeline is necessary, the Transmission Owner will coordinate with the Requestor to clearly communicate the expected timeline for completion of the study. The longer timeline will be agreed upon in writing by both parties, either at the beginning of the FS or at the earliest point during the FS where it becomes evident that a longer duration is necessary. The report will include the following, as applicable:

- a. Summary of impacted facilities.
- b. General descriptions of the existing and proposed facilities.
- c. Substation configurations.
- d. Estimated cost of transmission interconnection facilities.
- e. Estimated costs of transmission network upgrades.
- f. Preliminary assignment of costs.
- g. Estimated project schedule including engineering, permitting, procurement and construction; and
- h. Summary of permits, licenses, and approvals required for construction to commence, if applicable.

Following receipt of the completed study, the Requestor will have thirty (30) business days to decide whether to proceed with negotiation of a Facilities Construction Agreement or applicable interim agreements and provide written notice to Transmission Owner. Requestor will notify Transmission Owner of decision to proceed or not proceed with this negotiation via email to:

TransmissionBusinessRelationsMP@mnpower.com. Upon delivery of the completed FS by the Transmission Owner, the scope of which shall cover all facilities identified in Appendix B, the FS shall

be valid for a period of 180 calendar days, at the end of which if a Facilities Construction Agreement (“FCA”) has not been executed or filed, the interconnection request shall be terminated, unless extended by mutual written agreement. Requestor acknowledges and agrees that Transmission Owner’s determination of the need for Transmission System Upgrades and the estimated costs and construction timelines for completing such upgrades are subject to change and may be further developed.

5.0 Ownership of Results

Reports, summaries, plans, and other documents arising out of this Agreement shall become the property of Transmission Owner. All studies, computer input and output data, planning, operating and other documents, work papers, assumptions, and any other material shall remain in the files and possession of the Transmission Owner. Notwithstanding the above, the Requestor shall be provided with a copy of the Final Report and shall have the right to the use of such Report subject to its obligations under this Agreement.

6.0 Non-disclosure of Information

The Requestor and Transmission Owner shall consider all information provided by Transmission Owner and the Requestor and all supporting work papers resulting from Transmission Owner’s performance of the services to be proprietary to the Party providing the information unless such information is available from public sources. Neither the Requestor nor the Transmission Owner shall publish or disclose proprietary information of the other Party for any purpose without the prior written consent of the other Party, except disclosures required by law, regulation or orders, in which case the disclosing Party shall provide the other Party with prompt written notice of such request or requirement to enable the Parties to take steps to reduce the extent of proprietary information that must be disclosed and/or seek an appropriate protective order or other remedy reducing the extent of information that must be disclosed. The non-disclosure obligation of each Party is subject to compliance with all applicable laws, regulations and orders.

7.0 Information Requests

Transmission Owner may require additional information regarding the Requestor’s proposed interconnection to the Transmission System. The Requestor shall furnish within ten (10) business days, written responses to reasonable requests for information submitted by Transmission Owner.

8.0 Costs

The estimated costs to complete the FS are set forth in Appendix A. The Requestor shall pay Transmission Owner a deposit equal to fifty percent (50%) of the estimated study costs (the “Deposit Payment”) for Transmission Owner to begin the FS; provided that the Requestor shall be responsible for the actual costs to perform the study even if such costs exceed the estimate. At the completion of the FS, the costs incurred to complete the study shall be true-up within sixty (60) business days or longer if mutually agreed by the Parties based on the Transmission Owner’s actual costs and the Requestor shall pay such costs to the Transmission Owner as provided in Section 9. The actual study costs shall be based on the fully loaded labor rates, including overheads for the personnel performing the study. Expenses that are directly chargeable to the study shall be determined by the Transmission Owner. Notwithstanding the foregoing, the Transmission Owner may not incur charges

in excess of the estimated cost reflected in Exhibit A without the prior written consent of the Requestor, provided that if the Requestor does not agree to reimburse the Transmission Owner for costs in excess of this cap and the Transmission Owner must incur such costs in excess of the cap to perform the required studies, the Transmission Owner may cease work on the study.

9.0 Payments

Transmission Owner shall invoice the Requestor for the advance Deposit Payment for the FS upon the execution of this Agreement. The Requestor shall pay the Deposit Payment within thirty (30) business days of the receipt of the invoice. Upon delivery of a final FS, as determined by the Transmission Owner, the Transmission Owner shall invoice the Requestor within 60 business days of such delivery and the Requestor shall pay for any unpaid actual costs in excess of the Deposit Payment amount that have been incurred by the Transmission Owner in completing the FS within thirty (30) business days of receipt of the final invoice, including such costs in excess of the estimated cost in Exhibit A that have been approved by the Requestor under Article 8 of this Agreement. Upon receipt of the invoice, the Requestor shall make the final payment within thirty (30) business days. If any portion of the deposit is remaining after the actual cost is calculated, that amount will be rolled over into costs associated with subsequent agreements as applicable if Requestor chooses to do one. If the amount due is not paid on or before the due date, a late payment charge shall be applied to the unpaid balance equal to interest calculated using the prime rate of interest as published on the date of the invoice in The Wall Street Journal (or, if unavailable, an equivalent publication on or about that date).

10.0 Effective Date, Term and Effect of Termination

The term of this Agreement shall commence on the Effective Date and shall continue in effect until the FS is completed and all required payments have been made by Requestor, unless otherwise earlier terminated pursuant to the provisions of this Agreement. Either Party may elect to terminate this Agreement for any reason, (i) upon giving thirty (30) business days written notice to the other Party or (ii) at any time by mutual agreement of the Parties.

Should the Transmission Owner terminate this Agreement for any reason other than default by the Requestor, the Requestor shall be entitled to a full refund of all costs incurred and payments received by the Transmission Owner. In all other cases, including the Transmission Owner's termination upon default by the Requestor, should this Agreement be terminated in accordance with this Section 10, the Transmission Owner shall provide a final invoice within sixty (60) business days to the Requestor of the actual costs incurred by the Transmission Owner in performing the FS as of the date of termination and either (i) refund to the Requestor, any portion of the deposit that exceeds the actual costs incurred up to the date of termination, or (ii) in the event that such costs are greater than the deposit paid, the Requestor shall pay the Transmission Owner, within thirty (30) business days, any balance due in accordance with the provisions of Section 9.0.

11.0 Notices

Unless otherwise specifically provided in this Agreement, all notices and other communications required or permitted to be given hereunder shall be in writing and shall be addressed to the persons identified below and: (i) delivered by hand, (ii) delivered by a nationally recognized

commercial overnight delivery service, (iii) mailed postage prepaid by certified mail in any such case directed or addressed to the respective addresses set forth below, or (iv) transmitted by electronic mail to the address set forth below, with receipt confirmed. Such notices shall be effective: (a) in the case of hand deliveries, when received; (b) in the case of an overnight delivery service, on the next business day after being placed in the possession of such delivery service, with delivery charges prepaid; (c) in the case of certified mail, upon receipt of written signature card indicating acceptance by addressee; and (d) in the case of electronic notices, the date on which electronic indication of receipt is received by the sender, and if such date is not a business day, then the next business day.

Transmission Owner:

Minnesota Power
Transmission Business Relations
3217 Persons St
Duluth MN 55811
With copy to:
TransmissionBusinessRelationsMP@mnpower.com

Requestor:

Name: Grand Rapids Public Utilities
Contact: Chad Troumbly, Electric Department Manager
Address: 500 SE 4th Street, Grand Rapids, MN 55744
Email: cmtroumbly@grpuc.org

Either Party may, by written notice to the other Party, change the representative or the address to which such notices and communications are to be sent under this Section 11.

12.0 Choice of Law

This agreement shall be governed by the Federal laws of the United States, and to the extent not inconsistent with Federal law, the laws of the State of Minnesota without regard for conflicts of law provisions.

13.0 Force Majeure

An event of Force Majeure means any act of God, epidemic, labor disturbance, act of the public enemy, war insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any curtailment, order, regulation, or restriction imposed by governmental military or lawfully established civilian authorities, or any other cause beyond a Party's reasonable control. A Force Majeure event does not include the claiming Party's act of negligence or intentional wrongdoing. Neither Transmission Owner nor Requestor will be considered in default as to any obligation under this Agreement to the extent they are prevented from fulfilling the obligation due to an event of Force Majeure. However, a Party whose performance under this Agreement is hindered by an event of Force Majeure shall provide notice to the other Party of the circumstances resulting in the suspension of performance and shall make all reasonable efforts to perform its obligations under this Agreement.

14.0 Indemnity

The Requestor shall at all times indemnify, defend, and save the Transmission Owner harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demands, suits, recoveries, costs and expenses, court costs, attorney fees and all other obligations by or to third parties, arising out of or resulting from the Transmission Owner's performance of its obligations under this Agreement on behalf of the Requestor, except in cases of gross negligence or willful misconduct by the Transmission Owner.

15.0 Waiver; Severability

No waiver of any breach of this Agreement shall constitute a waiver of any other breach of the same or any other provisions of this Agreement, and no waiver shall be effective unless granted in writing. In the event that any provision herein shall be illegal or unenforceable, such provision shall be severed from the Agreement. The entire agreement shall not fail, but the balance of the Agreement shall continue in full force and effect.

16.0 Limitation of Liability

Notwithstanding anything contained herein to the contrary, in no event shall either party hereto be liable to the other party for any consequential, punitive, incidental, or exemplary damages.

In addition, the Transmission Owner shall not be liable, whether based on contract, indemnification, warranty, equity, tort, strict liability or otherwise, to Requestor for any damages whatsoever, including, without limitation, direct, incidental, consequential (including, without limitation, attorneys' fees and litigation costs), punitive, special, multiple, exemplary or indirect damages arising or resulting from any act of omission in any way associated with service provided under this Agreement, including, but not limited to, any act or omission that results in an interruption, deficiency or imperfection of service, except to the extent that the Transmission Owner is found liable for gross negligence or intentional misconduct, in which case the Transmission Owner will only be liable for direct damages.

17.0 Entire Agreement

This Agreement constitutes the entire agreement among the Parties with respect to the subject matter of the Agreement provided for herein, and supersedes all prior and contemporaneous understandings or agreements, oral or written, among the Parties with respect to the subject matter addressed herein.

18.0 Subcontractor

Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

19.0 No Partnership

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation of partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

20.0 No Third-Party Beneficiaries

This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.


21.0 Counterparts

This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

In Witness Whereof, the Parties hereto have caused this Agreement to be executed by their respective authorized officials.

Transmission Owner:

MINNESOTA POWER, an ALLETE Company

By: 

Name: Daniel Gunderson

Title: Vice President, Transmission System Planning & Operations

Date: April 24, 2025

Transmission Customer:

By: _____

Name:

Title:

Date: _____

Appendix A

Reimbursable Work and Payment Schedule

1. Cost for the Reimbursable Work: All costs incurred by Transmission Owner in completing the FS shall be paid by the Requestor in accordance with the terms of this Agreement. The estimated study cost shall be \$25,000 plus \$250 per megawatt of load proposed to be interconnected by the Requestor. If multiple points of interconnection are proposed, the total coincident peak contemplated across all points of interconnection shall be the basis for determination of estimated study costs.

Requested Interconnection Load: 27.8 MW

Total Estimated Study Cost: \$31,950

2. Installment Payments and Schedule:

Milestone Number	Description	Date
1	Upon execution of this Agreement: The Requestor to pay 50% of the estimated FS costs for Reimbursable Work to Transmission Owner.	To be paid after the execution of the Agreement within 30 business days from Transmission Owner issuing an invoice.
2	Upon delivery of a complete draft FS, as determined by the Transmission Owner, to the Requestor: The Requestor to pay 25% of the estimated costs for Reimbursable Work to the Transmission Owner.	To be paid within thirty (30) business days from the Transmission Owner issuing an invoice after delivery of a complete draft FS. Complete draft FS to be delivered within 90 business days after execution of Agreement, or a mutually agreed to delivery date.
3	Upon final acceptance of the FS by the Requestor, as agreed upon with the Transmission Owner: True-up final invoice issued by the Transmission Owner for actual study costs in excess of Estimated Study Cost, or reimbursement to the Requestor of any unused study funds.	Transmission Owner issues invoice within sixty (60) business days after completion of FS. Requestor pays within thirty (30) business days of receipt of final invoice

Appendix B

Transmission System Upgrades

The following Transmission System Upgrades presented by the Transmission Owner to the Requestor shall constitute the scope of work for the Facility Study.

To be complete in 90 business days of Transmission Owner's receipt of the Deposit Payment required in Section 9:

- Existing Tioga Substation (MP owned)
 - Expansion of the existing 115kV buswork to accommodate another transformer row
 - 115kV Breaker
- Existing Tioga Substation (GRPUC owned equipment)
 - 115kV circuit switcher
 - New 115/23 kV transformer
 - Additional 23kV buswork and feeders