

November 25th, 2007

Mr. Bill Storm- State Planning Director
Minnesota Department of Commerce
85 7th Place East Suite 500
Saint Paul, Minnesota 55101-2198

Dear Mr. Storm,

On behalf of the Metalcasters of Minnesota I'm writing to express our concerns about the status of future electric power generation in the state of Minnesota. As consumers of significant amounts of both electricity and natural gas our industry supports initiatives aimed at providing ample sources of clean, dependable, and economical power, such as the one being proposed by Excelsior Energy Inc. in Hibbing, Minnesota.

Our specific concern relates to the ongoing debate about the need for additional power generation in Minnesota. Based on our recent discussions with a number of current energy suppliers and those proposing to add new sources for electric generation, such as Excelsior Energy Inc. (Mesaba Energy Project) we are perplexed by the fact that we are being told by existing suppliers that there is an ample supply of power to handle our current and future demand. Yet, at the same time, our member companies who have interruptible service are being asked to curtail their power usage due to high peak demand at an ever increasing rate. We have even heard rumors that curtailment might begin to occur in cold weather months as well. These issues seem to counter the claim that we have an ample supply of electric energy in our state. Adding to our concern is the fact that future demand will continue to rise at an ever increasing pace and unless we find new ways to conserve considerably more energy, find alternative sources, or reduce consumption, we will find ourselves in an obvious shortfall going forward.

As this debate continues, we will be carefully monitoring the pros and cons of new power generation within our state and the impact it has, not only on our industry, but for all Minnesota electricity consumers. Our hope is for a balanced and open dialogue by all parties on the merits of whether Minnesota needs new electrical capacity. Decisions made in the near future will have a significant impact on everyone in the metalcasting industry. Our continued success and the success of our entire manufacturing base is dependent upon an ample and affordable supply of electric energy to maintain our competitive position, not only in Minnesota, but on a global basis as well. We therefore support efforts such as those proposed by Excelsior Energy to provide additional electrical capacity in Minnesota and ask that full and fair consideration be given to them as they move forward in their desire to make the Mesaba Energy Project a reality.

Thank you for considering our comments and position on the Mesaba Energy Project.

On behalf of the Metalcasters of Minnesota Board of Directors

Neil Ahlstrom
President