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NEWS

Minnesota Power Selects Burns & McDonnell as Project Engineer for Boswell 3 Retrofit

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Duluth, Minn. - Minnesota Power announced that Burns & McDonnell has been selected to provide preliminary and detailed engineering and project management services for a major emission control upgrade at its Boswell Unit 3, located in Cohasset, Minn. The project will include installation of state-of-the-art technology intended to achieve more than 80 percent reductions in sulfur dioxide (SO 2) and nitrogen oxide (NO X), up to 90 percent reductions in mercury (Hg), and significant reductions in particulate matter. The project investment will total nearly $200 million.

A series of studies focusing on various systems and control technologies are currently under way and engineering design work will begin this summer. Pending permit approvals for the emission reduction plan by the Minnesota Pollution Control Agency, construction is expected to commence in 2007, with completion by year-end 2009. Minnesota Power anticipates current recovery of costs for the project from customers, upon approval of a filing to the Minnesota Public Utilities Commission that will be made later this year.

“We selected Burns & McDonnell because of their extensive experience in designing emission control retrofit projects,” said Al Rudeck, Manager, Engineering Services, Minnesota Power. “Their talented design team has demonstrated a strong customer focus and an ability to develop reliable and cost effective system designs, which makes Burns & McDonnell an excellent long term partner.” Beyond the Boswell 3 project, for the last several years, Minnesota Power has been working with Burns & McDonnell on overall, comprehensive plans for future emission controls at all of its facilities.

Boswell Unit 3 is a 350-megawatt (MW) pulverized-coal power facility that was commissioned for service in 1973. At Unit 3, Minnesota Power currently controls particulates and SO 2 through a single-stage wet particulate scrubber while NO x is controlled through burner control techniques. Minnesota Power, a division of Duluth-based ALLETE (NYSE: ALE), utilizes extensive emissions reduction technology at all of its coal-fired generating facilities and currently operates at 70 percent below existing air emission requirements.

The planned emission control project at Boswell Unit 3 would address new clean air rules promulgated by the U.S. Environmental Protection Agency. The new rules will become effective in 2009 and 2010.

The controls planned for Boswell Unit 3 include:

NO X

- Selective Catalytic Reduction (SCR) system
- Low- NO X burners
- Separated overfire air system

SO 2

- Wet flue gas desulfurization system
- Reagent receiving, storage and handling systems

Particulates and Mercury

- Baghouse with activated carbon injection technology

- Fly ash handling and disposal system

The Boswell Unit 3 project is the second phase of an air emission reduction strategy currently being implemented by Minnesota Power. In October 2005, the Company announced a $60 million effort to significantly reduce emissions at its Laskin and Taconite Harbor generating facilities.

“We are thrilled to have been selected as Minnesota Power’s engineering partner for a project that will maintain excellent air quality in one of the most beautiful regions of our country,” said Ray Kowalik, vice president and general manager of Burns & McDonnell’s Energy Division. “Projects like the Boswell Unit 3 retrofit will demonstrate that coal-fired energy production can play a clean and cost-effective role in meeting our nation’s energy supply needs.”

Minnesota Power provides electricity in a 26,000 square-mile service territory in northeastern Minnesota. The utility supplies retail electric service to 138,000 retail customers, some of the largest industrial customers in the United States and wholesale electric service to 16 municipalities.

Founded in 1898, Burns & McDonnell provides engineering, construction, environmental and consulting services from offices located worldwide. For more information about Burns & McDonnell, visit its website at www.burnsmcd.com.

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