NEWS

MPUC sets interim rate increase for Minnesota Power retail customers

DULUTH, MN—The Minnesota Public Utilities Commission has approved, effective today, an interim rate increase for retail customers of Minnesota Power, an ALLETE company (NYSE: ALE).

As part of the MPUC's review process of Minnesota Power's requested increase in the electric rates charged to its retail customers, the commission set the interim rate increase at 7.5 percent. The change will be reflected in customer's utility billing statements beginning in August, with the final rate to be approved by the MPUC by spring of 2009.

The rate increase request is an acknowledgement of higher operating and maintenance costs as well as Minnesota Power's continuing investments in utility infrastructure and renewable energy and emission reduction projects to meet state mandates.

Minnesota Power continues to rank among the lowest cost electricity providers in the country. According to the Edison Electric Institute, Minnesota Power's retail rates per kilowatt-hour were the lowest in Minnesota and the tenth lowest of 175 investor-owned utilities in the U.S.

Customers will receive information regarding interim rates in their August statements and can log on to mnpower.com/straightanswers for more information.

Minnesota Power, an ALLETE company, supplies electric service to 141,000 retail customers, 16 municipalities and some of the largest industrial customers in the United States.

The statements contained in this release and statements that ALLETE may make orally in connection with this release that are not historical facts, are forward-looking statements. Actual results may differ materially from those projected in the forward-looking statements. These forward-looking statements involve risks and uncertainties and investors are directed to the risks discussed in documents filed by ALLETE with the Securities and Exchange Commission.

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