Minnesota Power’s competitive rate advances following MPUC decision

Duluth, Minn. – Minnesota Power, a utility division of ALLETE (NYSE: ALE), received a decision from the Minnesota Public Utilities Commission (MPUC) that advances the approval of its new competitive rate for some of northeastern Minnesota’s largest employers.

The 2015 Minnesota Legislature enacted a law authorizing Minnesota Power to submit discounted rate plans for a limited number of its large industrial customers, including taconite mines and forest products industries that meet state criteria as energy-intensive and trade-exposed (EITE) businesses. The legislation stated in part: “It is the energy policy of the state of Minnesota to ensure competitive electric rates for energy-intensive trade-exposed customers.”

On Dec. 21, 2016, the Minnesota Public Utilities Commission approved Minnesota Power’s plan to reduce the rate paid by these industrial companies by 5 percent. Subsequently, the MPUC has reviewed numerous options to allow Minnesota Power to recover the costs of the plan through a charge paid by other customers, and received comments from the public and stakeholders on these options.

Thursday’s decision allows for a rate adjustment for other customers as a per kilowatt hour charge based on energy usage. Minnesota Power will further review the Commission’s decision and await a final order before implementation of the new charge. Under the approved plan, an average residential customer could see up to a 6.5 percent increase to their bills, for small business and larger commercial customers the range is 4.5 percent to 8 percent based on energy usage. Additionally, Minnesota Power will adjust for any additional revenues collected if a more competitive rate results in increased energy consumption by EITE customers, which would offset the charge for other customers.

Low-income residential customers are exempted from the MPUC decision. As part of the decision, the Commission agreed with the company’s approach on additional outreach efforts to help qualify more customers as low-income and exempt from the new rate.

Minnesota Power provides electric service within a 26,000-square-mile area in Northeastern Minnesota, supporting comfort, security and quality of life for 145,000 customers, 16 municipalities and some of the largest industrial customers in the United States. More information can be found at www.mnpower.com.

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