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Minnesota Power, Grand Rapids utility and Itasca County partner to preserve Ainsworth site, improve reliability

Minnesota Power is investing \$2 million in a new electrical substation at the former Ainsworth oriented strand board mill site in partnership with Grand Rapids Public Utilities (GRPU) and the Itasca Economic Development Corp. (IEDC).

The new substation will enhance the marketability of the former mill site as IEDC works to attract new industrial applications. The substation also will improve power reliability at the mill site and for all GRPU customers by establishing a redundant power source for the community. The Ainsworth mill employed 190 people before it closed in 2008.

Work has begun at the site and will be completed this fall.

"Minnesota Power is a strong economic development partner with the communities we serve. We're happy to help improve the development potential at the former Ainsworth site," said Frank Frederickson, Minnesota Power vice president of marketing. "We're also committed to serving the future energy needs of Grand Rapids and Itasca County, and this substation will strengthen the system that delivers electricity to GRPU customers."

Upon completion of the construction project, the GRPU will become owner of the substation as a feature of a new power contract recently executed between the GRPU and Minnesota Power.

"The addition of this new substation will help attract future industrial opportunities for the industrial park," said Mark Zimmerman, president of IEDC

Minnesota Power provides electric service within a 26,000-square-mile area in northeastern Minnesota, supporting comfort, security and quality of life for 144,000 customers, 16 municipalities and some of the largest industrial customers in the United States. More information can be found at www.mnpower.com.

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.

