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Contact: Amy Rutledge
Manager - Corporate Communications
Minnesota Power/ALLETE
218-723-7400
arutledge@mnpower.com

NEWS

State Regulators Approve Interim Rate Increase for Minnesota Power Decision Starts Extensive Public Process to Evaluate Minnesota Power's Request

Duluth, Minn. – The Minnesota Public Utilities Commission (MPUC) today approved interim rates for Minnesota Power customers in the first step of a longer process to evaluate Minnesota Power's most recent request for a rate review. The decision will increase rates by 5.8% for all customer classes, effective Jan. 1, 2020. Under the change, the average residential customer will pay an additional \$4.50 per month. Interim rates will remain in effect until final rates are decided by the MPUC.

Minnesota Power, a utility division of ALLETE (NYSE: ALE), filed a rate review on Nov. 1 with state regulators seeking to increase its annual operating revenue by \$65.9 million to continue its commitment to deliver safe, reliable energy from increasingly cleaner sources of energy. The rate request addresses changes in customer demand, increasing operating expenses and costs associated with regulatory obligations.

Through *EnergyForward*, Minnesota Power has significantly changed the way it produces and delivers energy to its customers. The company has closed seven of its nine coal units and has grown its current energy mix to 30 percent renewables with plans to increase it to 50 percent by 2021 through the addition of hydro and wind resources. Minnesota Power also has undertaken significant cost-management steps, reducing operations and maintenance costs by nearly 20 percent since 2014.

As a regulated electric utility, Minnesota Power must receive approval from the MPUC whenever changes in revenue and expenses require adjusting its rates. State law directs the MPUC to grant the interim rates because the state regulatory process may last as long as 12-18 months. Over the next year, the MPUC will receive feedback from state agencies and interested parties before making a decision on the rate request, and an administrative law judge will hold public hearings to provide customers with an opportunity to offer public comment.

If the MPUC decides on a final rate that is below the interim rate, Minnesota Power customers will receive refunds based on the difference between the final and interim rates, plus interest.

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, 15 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.