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Minnesota Power's agreement with stakeholders on lower rate increase approved by Minnesota Public Utilities Commission

Duluth, Minn. — The Minnesota Public Utilities Commission (MPUC) on Thursday approved a settlement agreement on Minnesota Power's 2024 electric rate proposal that will lower rates for all customers in early 2025.

Minnesota Power reached the agreement with the Minnesota Department of Commerce, Minnesota Attorney General's Office and Large Power Intervenors in April after making its initial rate request in November 2023.

The MPUC approved a final rate increase of about 4.9% over 2023 rates for residential and small business customers, or about \$5 per month for the average residential customer, and about 4.4% over 2023 rates for industrial and large commercial customers. The final rate is lower than the interim rate increase of 8.6% that went into effect in January of this year, which means residential customers will see a small decrease in their monthly bills. The difference between the interim rate and final rate will be refunded to all customers, with interest, through a one-time bill credit after the final rates are in place in early 2025.

Today's approval also set Minnesota Power's return on equity at 9.78%.

"We greatly appreciate the hard work of our team and our stakeholders, and the commission's recognition that this rate settlement agreement is the best outcome, with benefits for our customers, our communities, the climate and our company," said ALLETE Chair, President and CEO Bethany Owen. "It takes all of us working together—regulators, lawmakers, our customers, our communities, and many more—to achieve a clean-energy transition that's truly sustainable for everyone. This agreement strikes a balance, with beneficial outcomes for customers while keeping Minnesota Power on track as it works toward the state's ambitious climate goals."

Minnesota Power, a utility division of ALLETE Inc. (NYSE: ALE), filed its rate proposal in November 2023 to support the goals of its *EnergyForward* strategy: Transitioning to new sources of renewable energy, building more resiliency into the electric grid to continue to ensure year-round reliability, employing the workforce necessary to achieve a clean-energy transition, addressing inflation and supply chain issues, and providing a fair return on investment to attract capital for continued investments in the clean-energy future.

More information on the rate proposal is at <https://www.mnpower.com/RateReview>.

Minnesota Power provides electric service within a 26,000-square-mile area in northeastern Minnesota, supporting comfort, security and quality of life for 150,000 customers, 14 municipalities and some of the largest industrial customers in the United States. More information can be found at www.mnpower.com.



ALLETE, Inc. is an energy company headquartered in Duluth, Minnesota. In addition to its electric utilities, Minnesota Power and Superior Water, Light and Power of Wisconsin, ALLETE owns ALLETE Clean Energy, based in Duluth; BNI Energy in Bismarck, North Dakota.; and New Energy Equity, headquartered in Annapolis, Maryland; and has an 8% equity interest in the American Transmission Co. More information about ALLETE is available at www.allete.com.

Minnesota Power calculates and reports carbon emissions based on the GHG Protocol. Details are in ALLETE's [Corporate Sustainability Report](#).

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.