FOR RELEASE: Nov. 2, 2026

MEDIA CONTACT: Amy Rutledge
Director, Corporate Communications
Minnesota Power, ALLETE
(218) 723-7400
arutledge@allete.com

Minnesota Power files request with MPUC for new rates to support continued safe, reliable electric service

DULUTH, Minn. – Today, Minnesota Power filed a request for a rate increase, reflecting the ongoing costs of preserving safe and reliable electric service to its 150,000 customers in Northeast Minnesota. Its last request for a rate increase was three years ago in 2023.

Minnesota Power is asking the Minnesota Public Utilities Commission (MPUC) to approve a $134 million increase in revenue net of riders, or a 17.8% increase. For residential customers, the average monthly bill will increase by about $24 if the MPUC approves the full rate request.

“Delivering safe and reliable electricity to our residential and business customers remains our number one priority,” explained Jennifer Cady, Vice President of Public Policy and External Affairs. “The electric system is undergoing an unprecedented transformation to achieve reliability and clean energy goals, requiring new investments at a time when our customer energy needs are changing and we are facing the same inflation and other cost pressures as other businesses.”

Minnesota Power’s rate request provided to the MPUC details the increased costs being incurred by the company, including ongoing operations and maintenance of the company’s generation, transmission and distribution systems; the workforce needed to serve the company’s customers; continued investments in a more resilient electric grid and renewable energy; and inflationary increases that affect everything from materials to equipment to insurance.

The MPUC recently released data showing that Minnesota has the eighth lowest residential monthly electric bills in the nation and that electric bills in the state have declined relative to inflation since 2018. Minnesota Power’s O&M costs from 2017 to 2027 have increased below the rate of inflation. However, changes in customers’ energy needs are exacerbating rate impacts for all customers.

With two-thirds of Minnesota Power’s electric sales going to large industrial customers, the idling of the Minorca Mine and partial idling of the Hibbing Taconite mine impact the company’s energy sales but do not change the cost of operating, maintaining and repairing the electric grid that is shared among all customer classes. No other electric utility in the United States is as dependent on sales to companies in the cyclical mining and paper industries.

“Minnesota Power has a responsibility to balance affordability with the investments needed to keep service dependable and costs manageable over the long term,” Cady said. “Alongside this request, we will continue

to connect customers who struggle to pay their monthly bills with assistance, conservation programs and other practical options that can help them use less energy and manage their bills."

The rate request filed today is not related to the recent approval of the proposed data center in Hermantown. This rate request addresses the current costs of operating, maintaining and improving the electric system that serves Minnesota Power customers. The MPUC is still reviewing the company's electric service agreement proposed for the new data center. Once the proposed data center is operational, Minnesota Power expects all its customers to benefit from the addition of a new 24-7 large customer that is required by Minnesota state law to fully pay for the cost of its electric service.

"We are committed to the long-term economic health of the region," said Josh Skelton, Minnesota Power Chief Operating Officer. "One of the reasons we support new business investment in the longer term is that new large, 24/7 customers benefit our residential and small business customers by diversifying our customer base, sharing in the costs to maintain and operate the overall electric system and reducing the impact when other large businesses have to slow their production and energy use."

As part of the regulatory process, the MPUC will set an interim rate increase that will remain in effect until final rates are implemented. The company has requested a net interim rate increase beginning in January 2027 of 15%, or about $15 per month for residential customers. However, the company recently announced significant bill credits for its customers that will offset the interim rate increase by about 70 percent in 2027. In addition, if the approved final rate is lower than interim rates, the company will refund the difference to customers with interest.

The filing made today by Minnesota Power is the first step in a regulatory process likely to take a year or longer. Public meetings will be held to allow customers to offer their comments on the proposed rates and the MPUC will also request customer comments during their proceedings as they conduct a thorough review of the company's request for new rates.

You can learn more information at www.mnpower.com

About Minnesota Power
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.

###