# FAQ
## 2026 Rate Request

minnesota power
AN ALLETE COMPANY

On November 2, 2026, Minnesota Power submitted a request with the Minnesota Public Utilities Commission (MPUC) for a $134 million increase in revenue, net of riders. For residential customers, the average monthly bill will increase by about $24, if the MPUC approves the full rate request. Minnesota Power's last rate request was filed three years ago in 2023, and this request reflects the costs associated with delivering safe, reliable and an increasingly carbon-free supply of electricity.

**Over the past two decades, Minnesota Power has:**

- Ended coal operations at seven of its nine coal-fired plants, while planning to cease coal use at its remaining two plants in 2030 and 2035.
- Reduced carbon dioxide emission levels by 50%, while delivering 60% renewable energy to customers.
- Continued to achieve 99.9% reliability for residential, commercial and industrial customers.
- Kept monthly bills below both the state and national average for residential customers.

**This rate request:**

- Supports operation and maintenance of a resilient electric grid and transformation of generation resources to serve northern Minnesota
- Supports investments to replace aging infrastructure and protect against extreme weather events
- Supports the workforce needed to serve Minnesota Power customers during a time of great energy transition.

In addition, more than 70% of the electricity produced by Minnesota Power is used by less than a dozen industrial customers. With the idling of production lines at two taconite mines, revenue from electric sales has dropped but the cost of maintaining the system for the other 150,000 customers has not changed.

Below, we are providing the answers to some of the questions we have heard from customers. If you have other questions or need more information, visit www.mnpower.com/RateRequest.

**How long has it been since Minnesota Power's last rate increase?**

It has been three years since Minnesota Power last requested a rate increase.

**Are rates increasing because of data centers?**

No, because Google has agreed to pay all costs necessary for powering the proposed Hermantown data center, including infrastructure upgrades. The timing of the potential Google data center also puts it outside the scope of this rate request.

**How do Minnesota Power's rates compare with other utilities?**

According to data released by the Minnesota Public Utilities Commission, residential electricity customers in Minnesota pay the eighth lowest monthly bills in the nation. Minnesota Power's residential customer bills are below the state and national average, and the company has a number of programs to assist customers who struggle to pay their bills each month.

**Who decides the actual rate increase?**

The Minnesota Public Utilities Commission and their staff will spend more than a year reviewing testimony from Minnesota Power, our customers, agencies such as the Minnesota Department of Commerce and the Office of the Attorney General, and interested organizations. At the end of this process, the MPUC will determine the final rate and the amount that monthly bills will increase.

**Is the cost of electricity increasing because of renewable energy?**

The cost of electricity is increasing for a number of reasons. Three of the most important reasons are our investments in a stronger and more resilient electric grid, ongoing maintenance of equipment used to generate and deliver electricity, and inflationary pressures. While there is cost associated with adding renewable energy generation, the full story is far more complicated as customers also experience lower fuel and purchased energy costs when the renewable energy resources are generating.

More questions >

**Minnesota Power's parent company, ALLETE, was acquired last year – is this why rates are going up so much?**

No. In fact, Minnesota Power and its new shareholders agreed to a one-year "stay-out" that prohibited filing any requests for rate increases for 12 months after the acquisition and to limit the returns available to shareholders. This one-year stay-out saved customers an estimated $112 million in 2026. In addition, acquisition costs were not permitted to be included in this rate request, as they are paid by shareholders. Finally, as part of the acquisition agreement, Minnesota Power customers are receiving $200 million in rate benefits over the next several years. Minnesota Power's costs are going up, and its revenues are changing due to market conditions overall.

**What is Return on Equity (ROE) and how does it affect a rate proceeding?**

ROE is the state-authorized return on investment approved by the MPUC in every rate case. Because Minnesota Power makes hundreds of millions of dollars in capital investments each year, it requires both equity and debt capital to finance those investments. ROE reflects the return on investment provided to equity investors as compensation for that capital. For Minnesota Power, its potential ROE is limited as a result of its recent Acquisition; as a result, in this rate case Minnesota Power is requesting a 9.78% ROE, a small increase from the current 9.65% and the same ROE originally approved by the MPUC in the company's 2023 rate case.

**If rates need to go up because some taconite mines are shut down, will rates go down once they are fully operational?**

No one can predict when the mines will return to full operations or predict when or what new costs will be required from utilities. However, Minnesota Power is proposing that state regulators approve a sales adjustment mechanism that will enable the company to pass on any benefit to customers as mines return to operation, or if new industrial customers begin operations, without having to file a full rate request. That proposal will be considered during this proceeding.

**I am worried about any increase in my monthly energy bills – how can I reduce them?**

Minnesota Power has a number of programs available for customers struggling to pay their bills. These programs help reduce energy consumption, take advantage of special time-of-day rates, and provide direct financial assistance. Learn more at https://www.mnpower.com/ProgramsRebates/Affordability

**What information is included in a rate request from a utility like Minnesota Power?**

Hundreds of pages of information about business operations are provided to regulators by Minnesota Power, including:

- Our projected expenses, including the reason costs are increasing.
- Our projected revenue, including the impact of reduced power use by mining companies.
- Return on investment, which is the cost of debt and equity financing of the company's investments.
- How Minnesota Power has helped keep customer bills as low as possible.

**Can you explain what the MPUC does?**

The MPUC is responsible for reviewing and approving changes in the rates for electric utilities, setting standards for utility operations and overseeing how utilities implement Minnesota's energy policy. There are five members on the MPUC who are appointed by the governor and confirmed by the Minnesota Senate. More information about the commission's role in rate cases can be found at https://mn.gov/puc/activities/financial-analysis/general-rate-case/

**How can I keep track of what is happening with this rate case?**

Minnesota Power's web site will offer regular updates on the progress of the regulatory process, and monthly bills will provide notices of public hearings. The MPUC includes detailed information on their e-dockets web site.

**Can customers comment on the rate case?**

Yes, the MPUC will announce when the public comment period opens.