

Questions:

Email us at AskUs@mnpower.com.

Helpful resources:

Rate review:

mnpower.com/2016RateReview

MPUC hearing schedule:

mn.gov/puc

Energy conservation:

mnpower.com/EnergyConservation

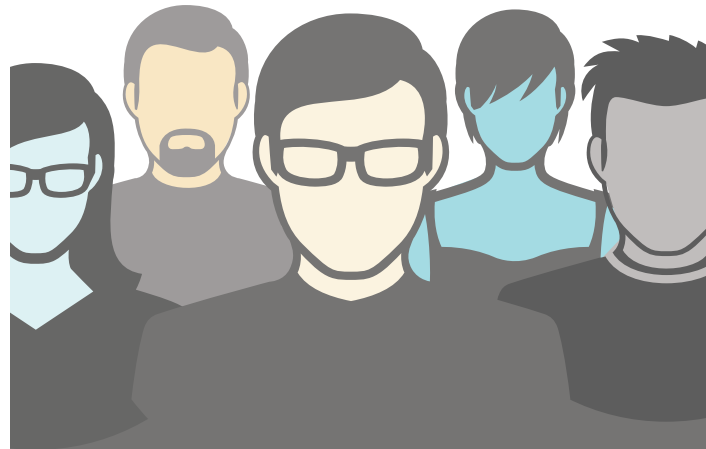
Energy assistance programs:

mnpower.com/CustomerService/AssistancePrograms

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2016 Rate Review

Let's talk about it...



AN ALLETE COMPANY

EnergyForward



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MINNESOTA POWER 2016 RATE REQUEST AT A GLANCE

Dear valued customer,

On Nov. 2 we filed a request for a general rate increase with the Minnesota Public Utilities Commission. We know raising rates isn't popular and we don't make our request lightly. The information in this brochure describes our request, the process and how you can share your opinion.

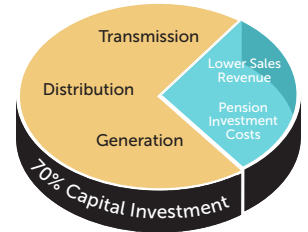
What:

We've requested an overall rate increase of \$55 million. Starting in January 2017, all customers would see an interim increase of 8 percent in their bills. For the average homeowner, that means an additional \$6 a month. The average small business owner would see an increase of \$22.

A final increase averaging \$9 a month in late 2017 or early 2018 would apply only to residential customers. A recent cost-of-service study showed that residential customers' rates are 35 percent less than the cost of serving them, with businesses absorbing the remainder as part of their bills. We're asking the MPUC to align our rates to the actual costs of providing service to different types of customers. If approved, our final rate proposal would increase average monthly bills by a total of \$15 for residential customers and \$28 for small business customers.

Why:

More than two-thirds of our request is directly related to *EnergyForward* investments to strengthen the safety and reliability of our transmission and distribution systems—the poles, wires and other equipment and technology that move electricity to customers. We've also added cleaner renewable energy sources. In 2016, 25 percent of our energy is from renewable energy. These investments in clean energy and a reliable, safe and smarter energy grid will continue to be a good value for our customers now and in the future.



What's next:

As a public utility, we are regulated by the independent Minnesota Public Utilities Commission whose role is to ensure safe, reliable and efficient utility services at fair and reasonable rates. The MPUC's open and transparent process includes local public hearings where customers can speak to commissioners. The commission also accepts written comments at the hearings and on its website at mn.gov/puc. The process to set final rates generally takes about a year.

