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# NEWS

## **Minnesota Power makes competitive rate filing to help protect jobs in NE Minnesota**

***Updated filing addresses questions from MN Public Utilities Commission, softens rate impact for residential customers***

Duluth, Minn.— Minnesota Power, a division of ALLETE, Inc. (NYSE: ALE), filed a new rate plan today with the Minnesota Public Utilities Commission (MPUC) that will provide lower electric rates for up to a dozen northeastern Minnesota industrial companies that are uniquely exposed to global competitive pressures.

The plan, creating an Energy Intensive Trade Exposed (EITE) rate, is in response to a 2015 law authorizing select electric utilities to submit reduced rate plans for a limited number of their large industrial customers, such as taconite mines and paper mills that meet state criteria as businesses that are large electric energy users and subject to global competitive pressures. The purpose clause of the legislation stated: “It is the energy policy of the state of Minnesota to ensure competitive electric rates for energy-intensive trade-exposed customers.”

“Mining and paper companies face significant global competition and unpredictable swings in their business cycles that are going to continue well into the future,” explained Dave McMillan, Minnesota Power Executive Vice President. “More competitive electricity prices will play a significant role in encouraging their continued investment in northern Minnesota and help protect thousands of jobs. That’s an important part of Minnesota Power’s mission.”

Minnesota Power initially filed a plan in November 2015, which the MPUC did not approve. Today’s proposal addresses issues raised by the MPUC during its review of the initial plan, including the impact on residential customers.

The plan proposed today is revenue neutral for Minnesota Power and will result in a new monthly energy charge for most other customers. If approved by the MPUC, business customers that do not qualify as trade-exposed will see an average monthly increase of approximately 1.8 percent based on their energy usage, while residential customers will see an average increase of 10 percent, or approximately \$8 a month for a customer whose typical monthly bill is \$79.44.

Changes to the plan to address MPUC concerns include lessening the impact on residential customers, capping the number of customers eligible for the EITE rate, basing the rate increase on energy usage for all business customers and expanding outreach efforts to low-income customers that qualify for energy assistance.

Under the statute, certain customers are exempt from the proposed rate:

- Low-income customers qualified to receive assistance through area heating assistance agencies.
- Energy-intensive trade-exposed industrial customers that are not eligible for the EITE rate

“Reducing electric energy costs is an important piece of a broader effort that will make these industries more competitive now and in the future,” McMillan said. “Along with other steps being taken by the companies, the state and federal government, and community leaders, we can help preserve jobs in northeastern Minnesota.”

The additional charge does not mean that all other customers need to experience higher energy bills. Minnesota Power’s conservation programs can help residential and business customers save energy and manage their monthly electric bills. Customers can visit <http://www.mnpower.com/EnergyConservation/WhatYouCanDo> to learn more about ways to save energy and lower their power costs.

To learn more about EITE go to <http://www.mnpower.com/CustomerService/EITE>

Minnesota Power provides electric service within a 26,000-square-mile area in northeastern Minnesota, supporting comfort, security and quality of life for 144,000 customers, 16 municipalities and some of the largest industrial customers in the United States. More information can be found at [www.mnpower.com](http://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.*

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