

energizer



Minnesota Power 30 West Superior Street Duluth, Minnesota 55802 www.mnpower.com Kelley Eldien, Editor Spring 2008

Minnesota Power equipped to meet growing energy demand



Minnesota Power is well-prepared to meet future electric energy needs of our customers for the next decade.

“By adding a significant amount of renewable generation and some supporting peaking generation,

Minnesota Power can meet expected electric demand through approximately 2020,” said Don Shippar, ALLETE Chairman, President and CEO. “We stand ready to meet the energy needs of our regional economy and to support new resource-based industries developing on the Iron Range with competitively priced power.”

Electric power is a key component in the mining, paper production and pipeline industries. Approximately 50 percent of our regulated utility energy sales are made to our large industrial customers.

Minnesota Power expects an average annual growth of approximately one percent from our existing customers, as well as up to 400 megawatts of additional growth from several potential new industrial customers planning projects in our service territory. These expansion plans bring

good-paying jobs and help boost our regional economy. Here are some of the new or expanded projects for which Minnesota Power is prepared to serve through resource planning:

In 2006, a contract for approximately 70 megawatts was executed with PolyMet Mining, a new customer planning to start a copper, nickel and precious metals mining operation in 2009.

In June 2007, we signed a contract with Mesabi Nugget, a company currently constructing an iron nugget facility near Hoyt Lakes, Minn. Construction and operation are planned for 2008 and Mesabi Nugget would be a 15-MW customer with further growth potential.

The anticipated restart of a pellet line at Keewatin Tacornite’s processing facility – which has been idle since 1980 – would also increase load growth by 50 MW with the possibility of reaching 60 MW. This \$300 million expansion project is expected to take three years to complete.

Minnesota Power’s ability to meet forecast growth is contained within our Integrated Resource Plan, a comprehensive estimate of future electric needs within the Minnesota Power service territory. The entire filing is available at www.mnpower.com/earthfriendly. Note: this document may take several minutes to download.

Investing in Tomorrow, Together

Here’s what the recent increase in your bill means to you, and to your community.

At Minnesota Power, we’ve worked hard to keep your rates as low as possible while remaining a leader in reliability and environmental stewardship. We’re working, with your support, to position our region for growth for generations to come. Recent line-item increases in your



bill reflect the investments we’ve been making to meet new environmental laws and regulations, while meeting increased energy demand.

We are making transmission upgrades, to provide the reliable power you expect. Providing cleaner energy from new wind farms and employing innovative emission-reduction technologies. What’s more, these projects don’t just benefit our planet, they benefit our people—providing hundreds of good-paying construction and trades jobs in our region.

We’re investing in tomorrow together for dependable energy, a better quality of life, and a cleaner environment we can all pass along to our children.

MINNESOTA POWER INTRODUCES



It begins with you.

We all have the power to choose how we use energy.

At Minnesota Power, we offer rebates, incentives and other tools to make it as easy—and economical—as possible for you to make choices that are healthy for your home, your business, and for our region. For additional details about our conservation programs, visit us at www.mnpower.com.

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Invest Direct plan lets you buy stock directly from ALLETE

Did you know you could invest in Minnesota Power's parent company, ALLETE, by sending stock purchase payments along with your electric utility bill?

And, if you become a participant in Invest Direct, you can invest in ALLETE without paying fees or using a broker. It's an easy and efficient way

to invest in shares of ALLETE common stock.

A new investor must make an initial minimum investment of \$250. Customers of Minnesota Power and current registered shareholders of ALLETE, however, can begin investing directly for as little as \$10. Invest Direct participants can receive stock

dividends in cash, reinvest them, or choose the cash-dividend mix they want.

For an enrollment form or to find out more about Invest Direct, call ALLETE Shareholder Services at 723-3974, or toll-free at 1-800-535-3056.

Plant the right tree in the right place

We'd like to send you a copy of a handy booklet that provides guidance for homeowners, businesses and other landowners on selection and placement of trees to maximize their benefits and avoid any hazards the trees might create. Before you make a plan for planting on your property this season, you'll want to take a look at the Right Tree brochure. To receive a copy, call toll-free 1-800-228-4966. Or, visit www.mnpower.com/treebook.

Read the MP Community Investment Report online

Learn how Minnesota Power is investing in our region by reading the 2007 Community Investment Report – available online at www.mnpower.com/community or call 1-800-228-4966 for your copy.



ON THE WEB

Heating and cooling rebates. On average, more than 60 percent of the energy used in your home is for heating and cooling. From April 1 – June 30, Minnesota Power is offering a special rebate—\$75 for tuning up your existing central air conditioner (CAC) or properly installing a new CAC. During this same time, we are also offering a special \$250 rebate on a high efficiency furnace (90 percent Annual Fuel Utilization Efficiency rating, multi-state unit) with electronically commuted (ECM) motor fan. Why not do both and get a \$325 rebate? After June 30, the rebate goes back to \$50 and \$200, respectively. Details and instructions are at www.mnpower.com/hvacspecials, or call 1-800-677-8423.

Teacher workshops. Minnesota Power is pleased to offer teachers in our service territory the opportunity to attend any of these three workshops: Lignite Energy Council; Economics and the Environment; Mississippi River Headwaters Watershed. Information on these courses can be found at www.mnpower.com/community. Also check the Web site for school programs and educational materials.