



Minnesota Power Proposes New Gas-Fired Power Plant in Superior, WI

(Duluth, MN)—Minnesota Power, an ALLETE company (NYSE: ALE), plans to build a natural gas-fired electric generating facility near Superior, Wisconsin, to help meet the region's energy needs during times of peak electrical demand.

The single-cycle "peaking" plant will be capable of producing approximately 160 megawatts (MW) of electric power, enough to serve the entire Duluth-Superior area if necessary. The facility will utilize a state-of-the-art General Electric 7FA turbine that has the lowest environmental emissions available. Construction is slated for completion in late 2003.

"By adding a generating facility within our service territory, we are providing for the growing electrical needs of our area, while strengthening the regional power grid," said Minnesota Power President Bob Edwards. "The construction of this plant is consistent with our strategy to further increase our presence in the unregulated generation business."

The company has identified a site for the plant along Stinson Avenue that offers ready access to existing transmission lines and nearby natural gas pipelines. Superior Water Light & Power is currently constructing a lateral line into the site with the work to be completed later this year. The site is being prepared to allow for the potential expansion of the generating capacity to approximately 300 MW.

Rainy River Energy Corporation is a wholly owned subsidiary of Minnesota Power and will own the new power plant. Rainy River is engaged in the acquisition and development of merchant generation and wholesale power marketing. The construction cost is estimated to be between \$70 and \$80 million.

Minnesota Power, an ALLETE company, serves 144,000 customers in northeastern Minnesota and northwestern Wisconsin with affordable electricity. The company supplies wholesale electric power to 16 municipal systems and also markets power across the Midwest.

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.