



Minnesota Power and Railroad Enter Long-Term Service Contract

(Duluth, MN)--Minnesota Power, an ALLETE business (NYSE:ALE), and The Burlington Northern and Santa Fe Railway Company ("BNSF") have entered into a ten-year agreement for transportation of coal to Minnesota Power's generating station near Grand Rapids, Minnesota. As a result, Minnesota Power will not pursue construction of an alternative railroad line to serve the generating station.

"Fuel costs represent a major portion of our customers' energy costs," said Don Shippar, Minnesota Power Chief Operating Officer. "Over the next several years, this new agreement will provide ongoing stability in our fuel delivery costs. In addition, this contract will keep our generating plants competitive in the wholesale energy market."

Under terms of the agreement, BNSF will ship all Minnesota Power's coal needs--over four million tons annually--through 2011 to the Boswell Energy Center near Grand Rapids and to the Laskin Energy Center near Hoyt Lakes. Minnesota Power uses low-sulfur, sub-bituminous coal exclusively from the Powder River Basin in Montana and Wyoming. Other terms of the agreement were not disclosed.

"We're excited to continue this long relationship with Minnesota Power," said Tom Kraemer, Group Vice President of BNSF's Coal Business Unit. "Minnesota Power was the first utility in the early 1970's to ship Powder River Basin coal via unit trains from the western United States, and we've enjoyed a strong and growing relationship ever since."

Minnesota Power serves 144,000 customers in northeastern Minnesota and northwestern Wisconsin with low-cost electricity. ALLETE is a multi-services company with corporate headquarters in Duluth, Minnesota. Other holdings include the second largest wholesale automobile auction network in North America; the leading provider of independent auto dealer inventory financing; the largest investor-owned water utilities in Florida and North Carolina; and significant real estate holdings in Florida.