



## **Minnesota Power, Potlatch team up on a new turbine generator**

Minnesota Power, Inc. and Potlatch Corp. have agreed to install a 24-megawatt turbine generator at the Potlatch facility in Cloquet, Minnesota. Minnesota Power's non-regulated electric business will own the turbine generator. Potlatch will operate and maintain the unit.

Through a process called cogeneration, steam used for industrial processes will also be used to produce electricity, achieving energy efficiency greater than 80 percent-more than twice the efficiency of traditional power sources. An environmentally friendly mix of wood wastes and natural gas will fuel the process.

"We're combining the steam resources of Potlatch with Minnesota Power's marketing capabilities to creatively meet the needs of the electric marketplace," said Bob Edwards, executive vice president, Minnesota Power. "Consumers benefit if we can bring a new power source to this increasingly tight market."

"As Potlatch focuses on providing forest products to our customers, it makes good sense to tap Minnesota Power's expertise to pursue energy-related opportunities," added Phil Baker, vice president, Minnesota Pulp and Paper Division, Potlatch.

The companies expect the turbine generator to be on line by the summer of 2001 at an estimated cost of \$10 million.

Potlatch Corporation, headquartered in Spokane, Washington, is a diversified forest products company with timberlands and manufacturing facilities throughout northern Minnesota.

Minnesota Power is a multi-services company with corporate headquarters in Duluth, Minnesota. Minnesota Power 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; significant real estate holdings in Florida and a low-cost electric utility that serves some of the largest industrial customers in the United States.