



MP subsidiary to buy power from new source

Minnesota Power, Inc. subsidiary Rainy River Energy Corp. has entered into a 15-year agreement to purchase approximately 275 megawatts (MW) of electric power from a 1,100 MW generating station to be built by a subsidiary of LS Power, LLC, near Chicago, Ill.

A natural gas-fired, combined-cycle power generation facility will be located in Kendall County, Illinois, approximately 30 miles southwest of Chicago. Construction of the project is scheduled to begin this summer with commercial operation expected for the summer of 2001.

"This purchase adds significantly to our power supply portfolio and enhances our ability to meet the needs of an expanding customer base outside of Minnesota and Wisconsin," said Robert D. Edwards, president of Minnesota Power's electric operations.

"This location also offers several advantages, including access to the high-voltage transmission line grid, multiple natural gas sources and a growing market," Edwards said.

"MPEX, our power marketing business, and Rainy River will now be able to more fully participate in the rapidly expanding wholesale bulk power marketplace," Edwards said.

Edwards also noted that combustion turbines produce low emissions, making this technology an environmentally preferred way to produce electric power.

LS Power is a privately owned independent power producer that develops, finances, owns and manages independent power projects in the U.S. In 1998, LS Power closed financing for over 1,500 MW of new independent power projects, representing over \$700 million in capital cost, including an 837 MW project in Batesville, Miss., the largest independent power project under construction in the Southeast.

Minnesota Power, Inc., is a diverse services company with corporate headquarters in Duluth, Minnesota. In addition to providing low-cost electric service in Minnesota and Wisconsin, the company's other enterprises include water services, automotive services, and investments, which include Florida real estate and a sizable securities portfolio.