April 16, 2014

Minnesota Power files for state and federal permits to build Great Northern Transmission Line

International transmission line 'the right project for a balanced energy future'

Duluth, Minn.-Minnesota Power, an ALLETE Company (NYSE:ALE), this week applied to state and federal regulators for permits to build the 500-kilovolt Great Northern Transmission Line from the Minnesota-Manitoba border to an electric substation on the Mesabi Iron Range.

Minnesota Power filed a route permit application with the Minnesota Public Utilities Commission (MPUC) and also applied for a Presidential Permit from the U.S. Department of Energy for the international interconnection at the U.S.-Canadian border.

The Great Northern Transmission Line will deliver to Minnesota Power customers and the upper Midwest clean, emission-free hydroelectricity generated by Manitoba Hydro to meet growing and changing energy demands. The project advances Minnesota Power's EnergyForward strategy of increasing its generation diversity and expanding its renewable energy portfolio.

"The Great Northern Transmission Line further transforms the energy landscape by reducing carbon emissions, strengthening the regional energy grid, adding more renewable power and supporting new industrial growth on Minnesota's Iron Range," said ALLETE Chairman, President and CEO Al Hodnik. "This international project is the right project at the right time to promote a more balanced energy future."

The new transmission line will facilitate the delivery of at least 750 megawatts (MW) of energy into the U.S. beginning in 2020. Minnesota Power, which will have majority ownership of the project, will utilize the Great Northern Transmission Line to deliver to its service area 250 MW from Manitoba Hydro through a power purchase agreement approved by the MPUC. The two utilities are also finalizing an agreement outlining how Minnesota Power will purchase additional energy and substantially expand its energy storage opportunities using the new asset.

"The Great Northern Line enhances a unique synergy involving hydropower and wind," said Minnesota Power Chief Operating Officer Brad Oachs. "The new transmission capacity more readily allows the Manitoba Hydro system to store intermittent wind generation during times when energy markets don't need it. This is important to Minnesota Power as we expand our Bison wind project to 500 MW in North Dakota by the end of this year."

Minnesota Power estimates total project cost in the U.S., including substation work, between $500 million and $650 million, depending upon the final approved route.

Since 2012, Minnesota Power has held more than 75 open houses and meetings with agencies, tribes, local government units, landowners and the general public to gather input on the routing of the transmission line project. The applications filed with the MPUC and DOE explain that the line will generally require a 200-foot-wide right-of-way, with four or five structures per mile about 100 to 150 feet in height. The type of structures will depend on land type and land use.

"We look forward to continuing our work with state and federal agencies in identifying the best route for this project," Oachs said. "The public will have additional opportunities to provide input which continues to be an important facet of this project."

Two alternate routes are listed in the applications. Both proposed alternatives are approximately 220 miles and, where feasible, follow existing transmission line rights-of-way.

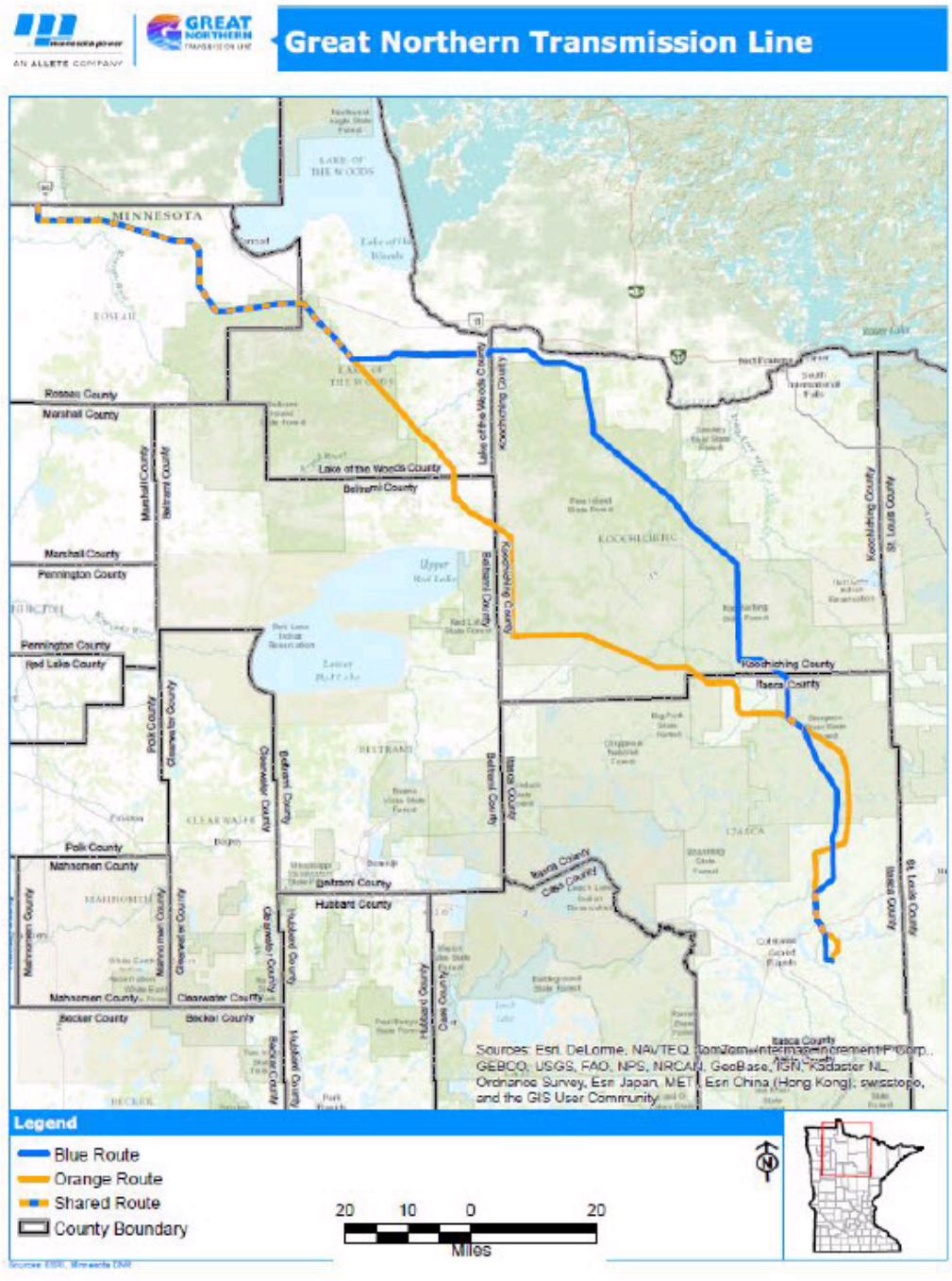
In addition to delivering affordable and reliable energy, the project will bring economic and fiscal benefits to Minnesota during and after construction. Project construction is expected to begin by 2016 and be completed by 2020. A University of Minnesota-Duluth economic study estimated the project will create 213 construction jobs and 73 additional indirect jobs.

The Great Northern Transmission Line will generate approximately $28 million annually in state and local taxes, according to the study. About $875 million of direct and indirect spending on goods and services will be needed to support construction activities, researchers said. For more information about the project, visit www.greatnortherntransmissionline.com

The attached map shows the two alternate routes.

Minnesota Power provides electric service within a 26,000-square-mile area in northeastern Minnesota, supporting comfort, security and quality of life for 143,000 customers, 16 municipalities and some of the largest industrial customers in the United States. More information can be found at www.mnpower.com.

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.



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